

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

*Fiscal Year Ended June 30, 2019*



**ROCKINGHAM COUNTY SCHOOLS**

**EDEN, NC**

**Cover Credit:**

**Brianna Noble  
Rockingham County Early College High School  
11<sup>th</sup> Grade**

*Rockingham County Board of Education  
Eden, North Carolina*

**Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended  
June 30, 2019**

*Prepared by  
Annie Ellis  
and the  
Finance Department*





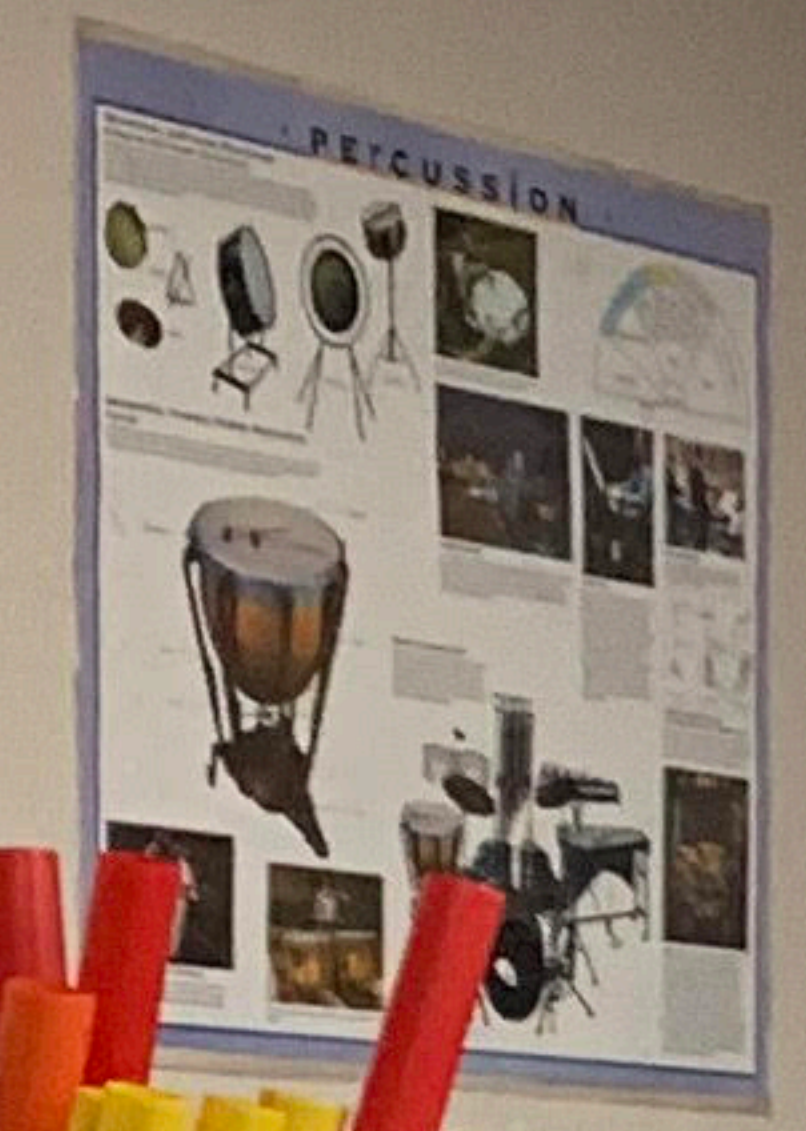
NIKE AIR

プレイステーション

JUST DO IT

MOREHEAD FOOTBALL

HIP HIP Hooray! IT'S CLEVELAND'S 100th DAY





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# **Introductory Section**



# **ROCKINGHAM COUNTY SCHOOLS**

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**511 Harrington Highway  
Eden, NC 27288  
Telephone (336) 627-2600**

**Rodney Shotwell, Ed.D.  
Superintendent**

**Annie Ellis  
Chief Financial Officer**

## **Letter of Transmittal**

**December 31, 2019**

To the Members of the Rockingham County Board of Education and Citizens of Rockingham County, North Carolina

In compliance with the Public School Laws of North Carolina, the Comprehensive Annual Financial Report of the Rockingham County Board of Education (the Board), operating as the “Rockingham County Schools” for the fiscal year ended June 30, 2019 is herewith submitted. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Superintendent and the Chief Financial Officer. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board’s financial activities have been included.

This letter of transmittal is designed to complement the management’s discussion and analysis and should be read in conjunction with it. The management’s discussion and analysis can be found immediately following the report of the independent auditors.

### **Financial Policies**

The Board has policies to cover the basic aspects of accounting and reporting. These include fiscal goals, budget planning, and budget administration. Policies also cover daily operating procedures such as deposits, insurance, individual schools accounting, payroll and reimbursements.

The Board is strictly guided by detailed State statutes which mandate the procedures which the Board follows. These are found in section 115C of the School Budget and Fiscal Control Act.

No policy had a significant impact on the reporting of the current year’s financial statements.

### **Reporting Entity**

The Rockingham County Board of Education consists of seven citizens elected for staggered terms of four years. Four are elected from districts, and three at large. The Board has no tax levying authority or borrowing authority and is required to maintain accounting records according to a uniform State format. The Board receives funds from Rockingham County, the State of North Carolina, and the United States Government and must comply with the legal requirements of each source entity. North Carolina General Statute 115C-40 empowers the Rockingham County Board of Education with general control and supervision of all matters pertaining to the schools in the system. The Board neither has nor is a component unit of another reporting entity.

Rockingham County Schools is a public system that serves Kindergarten through grade 12. The system provides educational courses and programs as prescribed by the North Carolina Department of Public Instruction. The average daily membership for the 2018-2019 fiscal year was 11,534.



## **Outlook**

The stability of the U.S. economy in the past year encouraged Rockingham County businesses and industries to implement strategies for growing their product lines, production and markets. Rockingham County benefited from increased workforce demands and site selection activity. The County also saw many visitors as well as requests for inquiries and proposals for available buildings and sites.

The County experienced the following economic achievements during fiscal year 2018-2019. Sanritsu Logistics is opening a new warehouse and manufacturing plant in Reidsville that is creating 24 new jobs. The international and domestic logistics services company plans to invest \$9 million in Reidsville and will service clients throughout the southeastern United States. Ohio-based plastics manufacturer Speedline Corporation is relocating an existing operation from Guilford County to the former TMD WEK South building in Reidsville. The company received a \$125,000 building reuse grant from the North Carolina Department of Commerce's Building Reuse Grant Program. Pella Corporation, a leading manufacturer of window and door products for residential and commercial use, announced it would locate a new manufacturing facility in Rockingham County. It plans to create 125 new jobs and invest nearly \$20 million in the new operation. Local developer, Eddie Smith with Venture Logistics in Mayodan, is investing approximately \$155,000 to up fit the Madison Industrial Center building. Nylon and textured yarn manufacturer SANS Technical Fibers is planning an expansion that consists of a \$4.9 million investment in new machinery and equipment as well as building improvements at its facility located in Stoneville.

Tourism continues to be an economic driver in Rockingham County. Local occupancy tax revenues have increased over 20% from the previous year with an approximate \$38,000 gain.

The local budget has continued to cut expenditures to cover increases in costs. The County is still unable to adequately fund the school system, resulting in additional cuts and forcing the system to budget approximately \$3.1 million from fund balance for the 2019-2020 school year.

The County is working to attract new industries, assist existing industries and small businesses, and focus on developing a strong tourism industry. The hope is that these efforts will diversify the local economy. Over the past ten years the school district's student enrollment has decreased 15.7%, based on final ADM. The district's budgeted student enrollment for the current year is 11,616, an increase of approximately 1% compared to 2018-2019.

As we begin to look toward budgeting for 2019-2020, we are taking a conservative approach regarding expenditures and staffing in order to balance the budget. Expired federal programs have been replaced with local funds, and additional cuts are expected to continue from the State, and possibly local as well.

The district's school buildings were built between 1935 and 2012. Cooperation between the Board of County Commissioners and the Board of Education has enabled the school system to build five new school buildings in recent years. Four replaced outdated structures while one is an additional school to serve a high population area. We have also added additions to and remodeled four established schools. The County financed all of these projects by designating future sales tax revenues and lottery proceeds to repay loans. The construction cost of the completed projects was \$54 million. We continue to analyze facility needs based on our student enrollment. During 2018-2019, two schools were closed/merged and one school will be converted to a partnership school with UNC-Greensboro. More school closures/mergers may be needed in the near future. See the Statistical Section of this report for more detailed data on our school buildings.

## **Major Initiatives**

Rockingham County Schools are being faced with many challenges that will require a more efficient and effective use of all of our funding. The past federal "No Child Left Behind" law encourages us to improve student performance by developing strategies for structuring testing/assessment efforts, and more effectively using group and individual data for designing instruction and measuring school success. We have been generating data in more detail to help our schools meet the needs of all our children. There is a system-wide plan for improvement for all of our schools. Student achievement has continued to improve each year. Even with the re-norming of our new student assessments, Rockingham County scores did not drop as great as some school districts of similar size and geography. The 2019-2020 school year should produce higher student achievement than ever before. We are also addressing the



dropout issue with emphasis upon generating accurate student data, including changes by gender and ethnicity, identification of contributing factors, conducting research related to successful practices and generating a multi-year program. We are developing another diploma pathway for our struggling at-risk students. The dropout rate has been cut in more than half from ten years ago to 2.04% for the 2018-2019 school year. We anticipate the rate to continue to lower.

The 2019-2020 budget focuses on the district's goals and objectives, which are outlined as follows:

- Develop and maintain career technical pathways which are designed to meet the economic needs of the area. Exploring opportunities with RCC to add another technical skill pathway.
- All students achieve academic proficiency at the end of each grade level (K-12)
- Continue to improve under-performing schools by providing the necessary resources
- Eliminate the achievement gaps (race, gender and socioeconomic)
- Increase the number of schools that meet both federal and state academic goals
- Continue the STEM (science, technology, engineering, and mathematics) program in grades 4-9 that began with a grant with NC Golden Leaf Foundation.
- Define measurable achievement goals for each individual school as well as the district. Continue to use the Data Mart system implemented in 2015-2016.
- Every effort will be made to retain twenty-first century professionals to meet the demands of a global economy
- Maintain a strong induction program for beginning teachers, as well as new teachers to the district
- Focus recruiting efforts on attracting and retaining high quality personnel
- Continue to implement Character Education Programs for all students K-12
- Continue planning and development of programs to promote schools which are free of drugs, weapons, and disruptive behavior
- The four specialized academies continue to be successful.
- Create a customer-friendly environment for our students, parents, staff, and community
- Educational professionals will make decisions in collaboration with parents, students, businesses, education institutions, faith-based organizations, and other community/civic organizations to impact student success
- School leaders will create collaborative culture that embraces changes and promotes dynamic, continuous improvement
- Continue to develop relative teaching and learning skills to promote a global understanding as well as preparation for post-secondary education
- RCS High Schools are now in the ninth year of providing a mobile device to all high school students
- Continue to move schools toward improving student achievement through alignment of resources that are prioritized
- Continue work on Phase III construction projects, which are designed to provide access to technology within a safe learning environment for students and staff
- During the summer of 2019 we began the replacement of our interactive boards in grades 3, 4 and 5



For the 2018-2019 school year, the State Board of Education designated 15 of our 22 schools as having exceeded or met growth. There were no schools with a school performance grade of F. Our alternative school, SCORE, was excluded by the State from the school report card grading for 2018-2019. Eight of our schools have met or exceeded growth since the 2012-2013 school year. Two of our elementary schools were in the top 10% for growth statewide. All Middle Schools demonstrated higher growth than other options in the county. Our graduation rate is at an all-time high.

## **Financial Information**

- **Internal Control**

Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

- **Budgetary Control**

North Carolina General Statutes requires all governmental units to adopt a balanced budget by July 1 of each year. The Board has the final approval over the budget and primary accountability for fiscal matters (including any deficits). The Board approves the annual budget by purpose, function, and project on a modified accrual basis. Budgets are adopted for all governmental funds and proprietary funds. The final budget amount as amended for the fiscal year is reflected in financial and individual statement sections. No budget is required by State law for individual school funds.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Encumbered amounts lapse at year-end.

Significant accounting policies of the Board are discussed in Note 1 to the financial statements.

- **Fund Accounting**

As required by law, the fund system of accounting is used. Each fund is a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities in accordance with law, good accounting practice, special regulations or other limitations. Three categories of funds are used: governmental, proprietary (business-type activities) and fiduciary.

### **Governmental Funds:**

- General Fund – County appropriated funds
- State Public School Fund - State appropriated funds
- Individual Schools Fund - Funds of the various clubs and athletics
- Federal Grants Fund - Grants from the federal government
- Capital Project Fund - County appropriated
- Other Restricted Fund - Special purpose funds

### **Proprietary Funds (Enterprise Funds):**

- Food Service Fund
- School Age Child Care Fund

### **Fiduciary Fund:**

- Scholarship Fund
- Child Nutrition Agency Fund

Governmental funds use the modified accrual basis of accounting while the proprietary and fiduciary funds use the full accrual basis of accounting.



The proprietary fund operation consists of the School Food Service Fund and the School Age Child Care Program. The School Food Service Fund operates as an enterprise fund and provides meals to students and staff. The School Age Child Care Program also operates as an enterprise fund, providing before and after school care for students.

### **Independent Audit**

State statutes require an annual audit by independent certified public accountants. The accounting firm of Anderson Smith & Wike PLLC has audited the financial statements. There were no limitations on the scope of audit, and their opinion along with basic financial statements and individual fund schedules are included in the financial section of this report.

In addition to meeting the requirements set forth by the State, the audit also was designed to meet the requirements of the U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The auditors' reports related specifically to the single audit are included in a separate report issued by the auditors.

### **Financial Reporting Awards**

For the fiscal year ended June 30, 2018, our Comprehensive Annual Financial Report (CAFR) was awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA), as well as the Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO). Both are prestigious national awards recognizing conformance with the highest standards for preparation of governmental financial reports.

In order to be awarded these certificates, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. These awards are valid for a period of one year only. Rockingham County Schools has received a Certificate of Achievement for the last twenty-three consecutive years, and a Certificate of Excellence for the last twenty-four consecutive years. We believe our current report continues to conform to GFOA and ASBO requirements, and we will submit it for determination of its eligibility for renewed awards.

### **Acknowledgments**

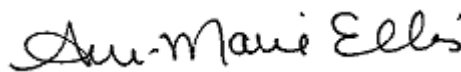
The preparation of this report on a timely basis could not have been accomplished without the efforts and dedication of the personnel in the Finance Office, the Superintendent's Office, and our independent audit firm. We would like to express our appreciation to all of the employees who contributed in the development of this report and to the Rockingham County government in providing the statistical data needed.

Also, we would like to thank the members of the Rockingham County Board of Education for their interest in planning and conducting the financial operations of the school system in a dedicated and responsible manner.

Respectfully submitted,



Rodney Shotwell, Ed.D.  
Superintendent



Annie Ellis  
Chief Financial Officer



***Rockingham County Board of Education  
Eden, North Carolina***

***July 1, 2018 - June 30, 2019***

***Board Members***

Brent Huss, *Chair*  
Paula Rakestraw, *Vice Chair*

Amanda Bell  
Doug Isley  
Wayne Kirkman

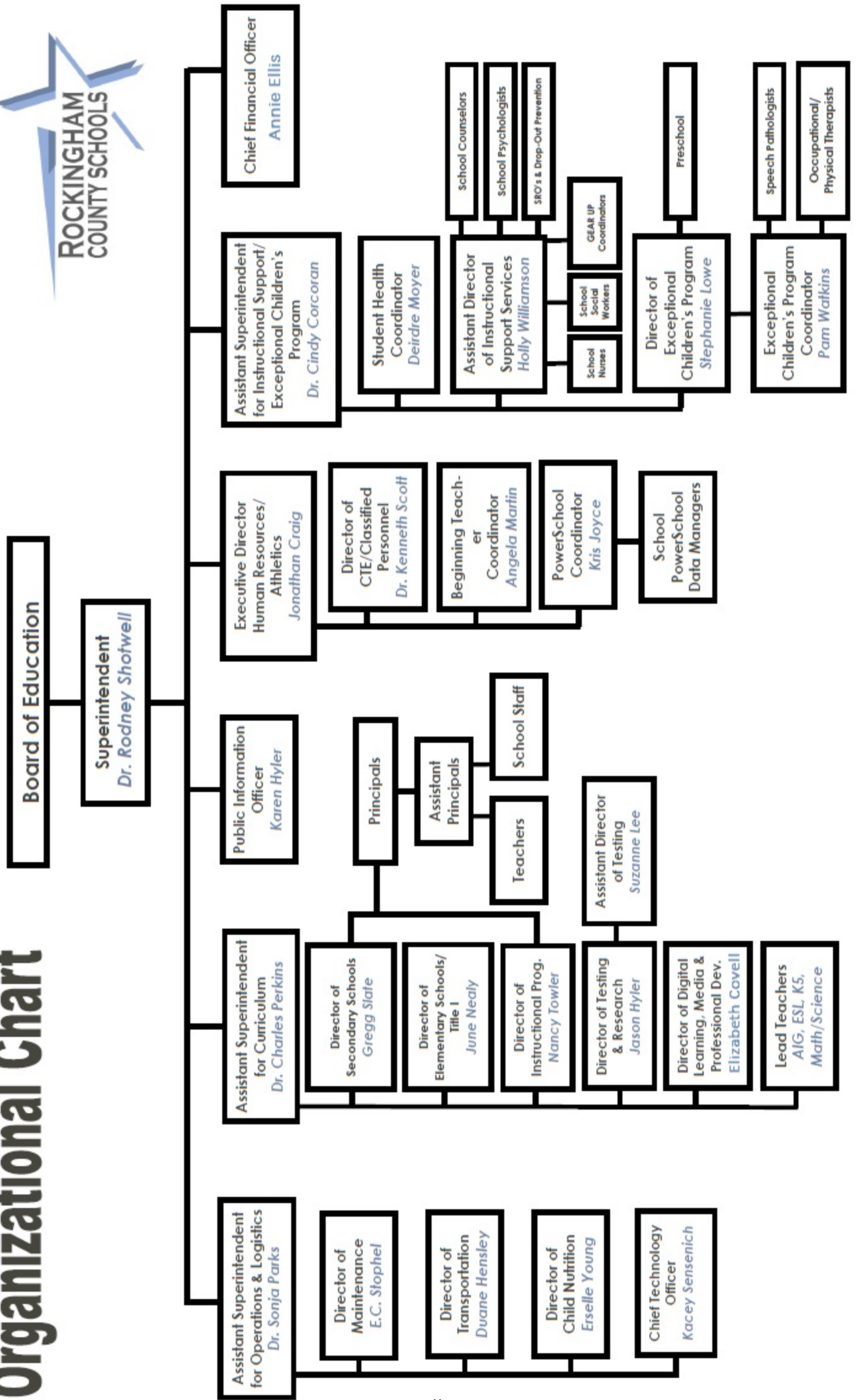
Bob Wyatt  
Kimberly McMichael

***Principal Officers***

Dr. Rodney Shotwell, *Superintendent*  
Dr. Sonja Parks, *Assistant Superintendent*  
Dr. Charles Perkins, *Assistant Superintendent*  
Dr. Cindy Corcoran, *Assistant Superintendent*



# Organizational Chart







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Rockingham County Schools  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO





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**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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**The Certificate of Excellence in Financial Reporting  
is presented to**

## **Rockingham County Board of Education**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

---

**Tom Wohlleber, CSRM**  
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

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**Siobhán McMahon, CAE**  
Chief Operating Officer





CENTRAL  
ELEMENTARY

ATTENTION





# **Financial Section**





# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

To the Rockingham County Board of Education  
Eden, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rockingham County Board of Education, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rockingham County Board of Education as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General, State Public School, Federal Grants and Other Restricted funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 9 and the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB Asset and the Schedule of Board Contributions on pages 49 through 54, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rockingham County Board of Education's basic financial statements. The introductory section, individual fund statement and budgetary schedules and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statement and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statement and budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019 on our consideration of the Rockingham County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rockingham County Board of Education's internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

November 12, 2019  
Rockingham, North Carolina



## **ROCKINGHAM COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This section of the Rockingham County Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2019. This information should be read in conjunction with the audited financial statements included in this report.

### ***Financial Highlights***

For the fiscal year ended June 30, 2019, the Board's total government-wide net position increased by \$5.8 million. Governmental activities net position increased by \$4.8 million and business-type activities net position increased by \$1.0 million.

- Total government-wide net investment in capital assets decreased by \$3.2 million, or 4.3%, from the prior year. Governmental activities net investment in capital assets decreased by \$3.2 million and business-type activities net investment in capital assets decreased by \$25,000.
- Total governmental activities restricted net position decreased by \$457,000 from the prior year.
- The Board's total government-wide unrestricted net position at June 30, 2019 increased by \$9.5 million over the prior year.
- Financial reporting awards from Association of School Business Officials International and the Government Finance Officers Association were received for the 2018 year.

### ***Overview of the Financial Statements***

The audited financial statements of the Rockingham County Board of Education consist of four components. They are as follows:

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (Assets) and the Schedules of Board Contributions.*
- *Supplementary section that presents budgetary schedules for governmental and enterprise funds.*

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *Government-wide Statements*. The government-wide statements are presented on the full accrual basis of accounting and include the statement of net position and the statement of activities. The statement of net position includes all of the Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets, deferred outflows of resources, deferred inflows of resources and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The statement of activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds, proprietary funds and fiduciary fund. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary and fiduciary funds are presented on the full accrual basis of accounting.



## **ROCKINGHAM COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on each of the financial resources of each of the Board's major funds.

### **Government-wide Statements**

The government-wide statements report information about the unit as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Board's net position and how it has changed. Net position is the difference between the Board's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. This is one way to measure the unit's financial health or position.

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of its school buildings and other physical assets.

The unit's activities are divided into two categories in the government-wide statements:

- *Governmental activities:* Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County funding and State and federal aid finance most of these activities.
- *Business-type activities:* The Board charges fees to help it cover the costs of certain services it provides. School food service is included here.

The government-wide statements are shown as Exhibits 1 and 2 of this report.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds - not the unit as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law, such as the State Public School Fund.
- The Board has established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants Fund.

Rockingham County Board of Education has three types of funds:

*Governmental funds:* Most of the Board's basic services are included in the governmental funds, which generally focus on two things – 1) how cash and other assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General Fund, the



**ROCKINGHAM COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

State Public School Fund, the Federal Grants Fund, the Other Restricted Fund, the Individual Schools Fund and the Capital Outlay Fund. The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

*Proprietary funds:* Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Rockingham County Board of Education has two proprietary funds - both enterprise funds – the School Food Service Fund and the Child Care Fund. The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

*Fiduciary funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Rockingham County Board of Education has two fiduciary funds – a private purpose trust fund and an agency fund. The Private Purpose Trust Fund is a scholarship fund under the control of the Board of Education. The agency fund is used to account for moneys held for the School Nutrition Services section of the NC Department of Public Instruction. The Board is the fiscal agent for this entity. The fiduciary fund statements are shown as Exhibits 10 and 11.

**Financial Analysis of the Board as a Whole**

Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$91.4 million as of June 30, 2019 as compared to \$97.2 million as of June 30, 2018. Following is a summary of the Statement of Net Position at June 30, 2019 and 2018:

**Table 1  
Condensed Statement of Net Position  
As of June 30, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/19	6/30/18	6/30/19	6/30/18	6/30/19	6/30/18
Current assets	\$ 29,952,666	\$ 26,483,419	\$ 2,372,475	\$ 1,575,359	\$ 32,325,141	\$ 28,058,778
Capital assets	71,833,561	75,479,199	196,985	222,445	72,030,546	75,701,644
Total assets	<u>101,786,227</u>	<u>101,962,618</u>	<u>2,569,460</u>	<u>1,797,804</u>	<u>104,355,687</u>	<u>103,760,422</u>
Deferred outflows of resources	<u>28,290,766</u>	<u>23,111,234</u>	<u>841,843</u>	<u>694,657</u>	<u>29,132,609</u>	<u>23,805,891</u>
Current liabilities	8,126,835	7,526,751	131,898	170,949	8,258,733	7,697,700
Long-term liabilities	<u>148,739,948</u>	<u>164,432,084</u>	<u>4,417,097</u>	<u>4,911,302</u>	<u>153,157,045</u>	<u>169,343,386</u>
Total liabilities	<u>156,866,783</u>	<u>171,958,835</u>	<u>4,548,995</u>	<u>5,082,251</u>	<u>161,415,778</u>	<u>177,041,086</u>
Deferred inflows of resources	<u>61,672,945</u>	<u>46,374,768</u>	<u>1,835,196</u>	<u>1,393,889</u>	<u>63,508,141</u>	<u>47,768,657</u>
Net investment in capital assets	71,124,603	74,293,100	196,985	222,445	71,321,588	74,515,545
Restricted net position	7,456,416	7,913,267	15,108	13,076	7,471,524	7,926,343
Unrestricted net position (deficit)	<u>(167,043,754)</u>	<u>(175,466,118)</u>	<u>(3,184,981)</u>	<u>(4,219,200)</u>	<u>(170,228,735)</u>	<u>(179,685,318)</u>
Total net position (deficit)	<u>\$ (88,462,735)</u>	<u>\$ (93,259,751)</u>	<u>\$ (2,972,888)</u>	<u>\$ (3,983,679)</u>	<u>\$ (91,435,623)</u>	<u>\$ (97,243,430)</u>

Net position is an indicator of the fiscal health of the Board. The net position of the Board's governmental activities increased \$4.8 million during the year, from \$(93.3) million at June 30, 2018 to \$(88.5) million at June 30, 2019, indicating an improvement in the financial condition of the Board. Restricted net position decreased by \$457,000 while unrestricted net position increased by \$8.4 million over the prior year. Net investment in capital assets decreased \$3.2 million due to an excess of depreciation expense over capital additions for the year. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.



**ROCKINGHAM COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Net position of the Board's business-type activities increased \$1.0 million during the year. This is the combined net profit generated by our school food service and child care operations during the 2019 fiscal year. The following table shows the revenues and expenses of the Board for the current and prior fiscal years:

**Table 2  
Condensed Statement of Activities  
For the Fiscal Years Ended June 30, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/19	6/30/18	6/30/19	6/30/18	6/30/19	6/30/18
Revenues:						
Program revenues:						
Charges for services	\$ 1,248,216	\$ 1,339,457	\$ 1,811,834	\$ 1,771,399	\$ 3,060,050	\$ 3,110,856
Operating grants and contributions	91,747,593	91,739,343	4,782,868	5,183,945	96,530,461	96,923,288
Capital grants and contributions	740,244	795,052	-	-	740,244	795,052
General revenues:						
County appropriations	17,344,078	16,724,592	-	-	17,344,078	16,724,592
Other revenues	964,185	1,010,764	14,366	13,030	978,551	1,023,794
<b>Total revenues</b>	<b>112,044,316</b>	<b>111,609,208</b>	<b>6,609,068</b>	<b>6,968,374</b>	<b>118,653,384</b>	<b>118,577,582</b>
Expenses:						
Governmental activities:						
Instructional services	83,195,041	92,428,336	-	-	83,195,041	92,428,336
System-wide support services	22,487,024	23,564,645	-	-	22,487,024	23,564,645
Ancillary services	309,652	377,038	-	-	309,652	377,038
Payments to other governments	1,255,583	705,062	-	-	1,255,583	705,062
Business-type activities:						
School food service	-	-	5,044,282	5,514,758	5,044,282	5,514,758
Child care	-	-	553,995	760,610	553,995	760,610
<b>Total expenses</b>	<b>107,247,300</b>	<b>117,075,081</b>	<b>5,598,277</b>	<b>6,275,368</b>	<b>112,845,577</b>	<b>123,350,449</b>
Excess (deficiency) before transfers	4,797,016	(5,465,873)	1,010,791	693,006	5,807,807	(4,772,867)
Transfers in (out)	-	(19,440)	-	19,440	-	-
<b>Change in net position</b>	<b>4,797,016</b>	<b>(5,485,313)</b>	<b>1,010,791</b>	<b>712,446</b>	<b>5,807,807</b>	<b>(4,772,867)</b>
Beginning net position (deficit), as previously reported	(93,259,751)	73,053,778	(3,983,679)	177,668	(97,243,430)	73,231,446
Restatement	-	(160,828,216)	-	(4,873,793)	-	(165,702,009)
<b>Beginning net position (deficit), restated</b>	<b>(93,259,751)</b>	<b>(87,774,438)</b>	<b>(3,983,679)</b>	<b>(4,696,125)</b>	<b>(97,243,430)</b>	<b>(92,470,563)</b>
<b>Ending net position (deficit)</b>	<b>\$ (88,462,735)</b>	<b>\$ (93,259,751)</b>	<b>\$ (2,972,888)</b>	<b>\$ (3,983,679)</b>	<b>\$ (91,435,623)</b>	<b>\$ (97,243,430)</b>

Total governmental activities generated revenues of \$112.0 million while expenses in this category totaled \$107.2 million for the year ended June 30, 2019, resulting in an increase in net position of \$4.8 million. Comparatively, revenues were \$111.6 million and expenses totaled \$117.1 million for the year ended June 30, 2018, resulting in a decrease in net position of \$5.5 million. In comparing the two years, revenues were very comparable while expenses decreased by \$9.8 million, or 8.4%. The overall decrease in expenses is largely attributable to a \$10.3 million year-over-year decline in pension and OPEB expense. See Note 2 for detailed information regarding pension and OPEB-related amounts and disclosures.

The Board's primary sources of revenues were funding from the State of North Carolina, Rockingham County, and the United States Government, which respectively comprised 70.2%, 15.5% and 8.0% of our total revenues. As would be expected, the major component of our expenses was instructional



## ROCKINGHAM COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

services which accounted for 77.6% of our total expenses during the most recent fiscal year. Of the remaining 22.4% of our total expenses, 21.0% was attributable to system-wide support services.

Our business-type activities generated revenues of \$6.6 million, while expenses in this category totaled \$5.6 million for the year ended June 30, 2019. For the year, net position increased by \$1.0 million. Comparatively, revenues were \$7.0 million and expenses totaled \$6.3 million for the year ended June 30, 2018, resulting in an increase in net position of \$712,000. In comparing the two years, revenues decreased \$359,000 while expenses declined \$677,000. The decrease in revenues was attributable to a decrease in the number of meals served which was a result of a decline in the district's ADM. The change in expenses is due largely to a year-over-year decline of \$318,000 in pension and OPEB expense. Food costs also declined by \$291,000 as a result of fewer meals served.

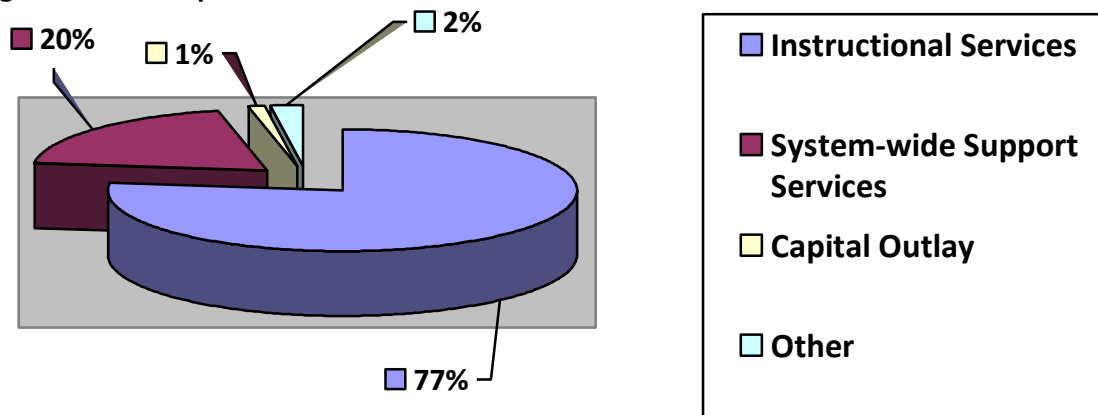
### Financial Analysis of the Board's Funds

**Governmental Funds:** The focus of Rockingham County Board of Education's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The Board's governmental funds reported a combined fund balance of \$24.7 million at June 30, 2019, an increase of \$2.8 million over the amount reported at June 30, 2018. The Board's General and Other Restricted funds each reported an increase in fund balance for the year of \$1.9 million and \$1.1 million, respectively, while the Capital Outlay and Individual Schools funds reported decreases of \$183,000 and \$42,000, respectively. Overall, total governmental fund revenues increased slightly over the prior year by \$438,000, or 0.4%, while total expenditures decreased by \$78,000, or 0.1%. Both revenues and expenditures were comparable to the prior year with no significant changes.

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. In comparing the year ended June 30, 2019 to 2018, the State Public School Fund reported a decrease in revenues (and expenditures) of \$535,000, or 0.7%, while the Federal Grants Fund reported an increase of \$411,000, or 5.1%.

### Categorization of Expenditures for Governmental Funds



Expenditures presented on modified accrual basis of accounting.

**Proprietary Funds:** The Board's business-type funds, the School Food Service Fund and the Child Care Fund, reported a combined increase in net position of \$1.0 million for the fiscal year ended June 30, 2019 compared to an increase of \$712,000 for the same 2018 period. See the discussion above under "Financial Analysis of the Board as a Whole" for further details regarding the year-over-year changes in operating results for the School Food Service and Child Care funds.



**ROCKINGHAM COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**General Fund Budgetary Highlights**

Over the course of the year, the Board revised the budget to account for various changes in program allocations. Since several revenue sources are either unknown or uncertain at the beginning of the fiscal year when the original budget is adopted, budget revisions are necessary throughout the year to recognize these adjustments. None of the budget adjustments made during the current year were significant in nature and expenditures did not exceed the budget in any category.

Fund balance in the General Fund at June 30, 2019 was \$14.5 million, an increase of \$1.9 million over the amount reported at June 30, 2018. The Board budgeted to use \$5.0 million of fund balance for the year. Variances between actual expenditures and final budget amounts primarily relate to conservative budgeting practices and cost containment strategies.

**Capital Assets**

Total primary government capital assets were \$72.0 million at June 30, 2019 compared to \$75.7 million at June 30, 2018, a decrease of 4.9%. This decrease is due to an excess of depreciation expense over capital additions for the year. The following table is a summary of the Board's capital assets, net of depreciation, at June 30, 2019 and 2018. More detailed information about the Board's capital assets is contained in Note 2 to the financial statements.

**Table 3  
Summary of Capital Assets  
As of June 30, 2019 and 2018**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/19</u>	<u>6/30/18</u>
Land	\$ 2,986,396	\$ 2,986,396	\$ -	\$ -	\$ 2,986,396	\$ 2,986,396
Construction in progress	17,150	62,386	-	-	17,150	62,386
Buildings and improvements	66,345,814	69,509,398	-	-	66,345,814	69,509,398
Equipment and furniture	546,551	651,559	196,985	222,445	743,536	874,004
Vehicles	1,937,650	2,269,460	-	-	1,937,650	2,269,460
Total	<u>\$ 71,833,561</u>	<u>\$ 75,479,199</u>	<u>\$ 196,985</u>	<u>\$ 222,445</u>	<u>\$ 72,030,546</u>	<u>\$ 75,701,644</u>

**Debt Outstanding**

The Board's outstanding debt at June 30, 2019 was \$709,000, a decrease of \$477,000 from the \$1.2 million reported at June 30, 2018. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. More detailed information about the Board's outstanding debt is contained in Note 2 to the financial statements.

**Economic Factors**

The Board relies on funding from local, State and federal sources for a majority of its revenues. The Board receives federal funding primarily from federal grants that flow through the NC Department of Public Instruction. State funds are mainly received as allotments from the State Public School Fund. Local funds consist mostly of county appropriations from property taxes, fines and forfeitures.

The following factors impact the economic outlook of Rockingham County:

- As of June 30, 2019, Rockingham County experienced an unemployment rate of approximately 5.0% as compared to an unemployment rate of approximately 4.8% at June 30, 2018. Rockingham



**ROCKINGHAM COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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County's unemployment rate is above the June 30, 2019 State of N.C. and national unemployment rates which were 4.4% and 3.8%, respectively.

- The Board anticipates a continued decrease in enrollment over the next few years.

***Requests for Information***

This report is intended to provide a summary of the financial condition of Rockingham County Board of Education. Questions or requests for additional information should be addressed to:

Annie Ellis, Finance Officer  
Rockingham County Board of Education  
511 Harrington Hwy  
Eden, NC 27288



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2019**

**Exhibit 1**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 26,740,300	\$ 1,903,869	\$ 28,644,169
Due from other governments	2,955,534	88,382	3,043,916
Receivables	146,762	29,263	176,025
Net OPEB asset	110,070	3,275	113,345
Inventories	-	347,686	347,686
Capital assets:			
Land and construction in progress	3,003,546	-	3,003,546
Other capital assets, net of depreciation	68,830,015	196,985	69,027,000
Total capital assets	71,833,561	196,985	72,030,546
 Total assets	 101,786,227	 2,569,460	 104,355,687
 <b>Deferred Outflows of Resources</b>	 28,290,766	 841,843	 29,132,609
 <b>Liabilities</b>			
Accounts payable and accrued expenses	2,121,409	17,573	2,138,982
Accrued salaries and wages payable	3,019,170	-	3,019,170
Unearned revenue	-	41,097	41,097
Long-term liabilities:			
Due within one year	2,986,256	73,228	3,059,484
Due in more than one year	148,739,948	4,417,097	153,157,045
 Total liabilities	 156,866,783	 4,548,995	 161,415,778
 <b>Deferred Inflows of Resources</b>	 61,672,945	 1,835,196	 63,508,141
 <b>Net position</b>			
Net investment in capital assets	71,124,603	196,985	71,321,588
Restricted for:			
Stabilization by State statute	184,500	-	184,500
School capital outlay	619,505	-	619,505
Instructional services	5,144,961	-	5,144,961
Individual schools activities	999,701	-	999,701
DIPNC OPEB plan	507,749	15,108	522,857
Unrestricted (deficit)	(167,043,754)	(3,184,981)	(170,228,735)
 Total net position (deficit)	 \$ (88,462,735)	 \$ (2,972,888)	 \$ (91,435,623)

*The notes to the basic financial statements are an integral part of this statement.*



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2019**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 48,342,349	\$ -	\$ 45,859,587	\$ -	\$ (2,482,762)	\$ -	\$ (2,482,762)
Special populations	12,720,207	1,220,243	14,347,777	-	2,847,813	-	2,847,813
Alternative programs	5,375,979	-	5,583,650	-	207,671	-	207,671
School leadership	6,518,819	-	6,027,890	-	(490,929)	-	(490,929)
Co-curricular	3,512,134	-	2,706,622	-	(805,512)	-	(805,512)
School-based support	6,725,553	-	6,493,429	-	(232,124)	-	(232,124)
System-wide support services:							
Support and development	1,202,453	-	1,034,253	-	(168,200)	-	(168,200)
Special population support and development	788,480	-	438,982	-	(349,498)	-	(349,498)
Alternative programs and services support and development	207,419	-	214,291	-	6,872	-	6,872
Technology support	1,252,952	-	498,656	-	(754,296)	-	(754,296)
Operational support	16,128,296	27,973	6,521,876	740,244	(8,838,203)	-	(8,838,203)
Financial and human resource services	1,105,710	-	849,731	-	(255,979)	-	(255,979)
Accountability	84,945	-	58,722	-	(26,223)	-	(26,223)
System-wide pupil support	183,186	-	57,381	-	(125,805)	-	(125,805)
Policy, leadership and public relations	1,533,583	-	821,873	-	(711,710)	-	(711,710)
Ancillary services	309,652	-	63,131	-	(246,521)	-	(246,521)
Payments to other governments	1,255,583	-	169,742	-	(1,085,841)	-	(1,085,841)
Total governmental activities	<u>107,247,300</u>	<u>1,248,216</u>	<u>91,747,593</u>	<u>740,244</u>	<u>(13,511,247)</u>	<u>-</u>	<u>(13,511,247)</u>
Business-type activities:							
School food service	5,044,282	1,180,325	4,782,868	-	-	918,911	918,911
Child care	553,995	631,509	-	-	-	77,514	77,514
Total business-type activities	<u>5,598,277</u>	<u>1,811,834</u>	<u>4,782,868</u>	<u>-</u>	<u>-</u>	<u>996,425</u>	<u>996,425</u>
Total primary government	<u>\$ 112,845,577</u>	<u>\$ 3,060,050</u>	<u>\$ 96,530,461</u>	<u>\$ 740,244</u>	<u>(13,511,247)</u>	<u>996,425</u>	<u>(12,514,822)</u>
General revenues:							
					15,834,840	-	15,834,840
					1,509,238	-	1,509,238
					180,392	14,366	194,758
					783,793	-	783,793
					<u>18,308,263</u>	<u>14,366</u>	<u>18,322,629</u>
					4,797,016	1,010,791	5,807,807
					<u>(93,259,751)</u>	<u>(3,983,679)</u>	<u>(97,243,430)</u>
					<u>\$ (88,462,735)</u>	<u>\$ (2,972,888)</u>	<u>\$ (91,435,623)</u>

The notes to the basic financial statements are an integral part of this statement.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2019**

**Exhibit 3**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Restricted	Capital Outlay	Individual Schools	
<b>Assets</b>							
Cash and cash equivalents	\$ 16,445,473	\$ -	\$ -	8,596,919	\$ 696,514	\$ 1,001,394	\$ 26,740,300
Due from other governments	18,026	2,797,463	133,817	6,228	-	-	2,955,534
Accounts receivable	31,183	-	-	115,579	-	-	146,762
Due from other funds	1,693	-	-	11,791	-	-	13,484
Total assets	<u>\$ 16,496,375</u>	<u>\$ 2,797,463</u>	<u>\$ 133,817</u>	<u>\$ 8,730,517</u>	<u>\$ 696,514</u>	<u>\$ 1,001,394</u>	<u>\$ 29,856,080</u>
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,022,576	\$ -	\$ -	\$ 21,824	\$ 77,009	\$ -	\$ 2,121,409
Accrued salaries and wages payable	2,369	2,797,463	133,817	85,521	-	-	3,019,170
Due to other funds	11,791	-	-	-	-	1,693	13,484
Total liabilities	<u>2,036,736</u>	<u>2,797,463</u>	<u>133,817</u>	<u>107,345</u>	<u>77,009</u>	<u>1,693</u>	<u>5,154,063</u>
Fund balances:							
Restricted:							
Stabilization by State statute	50,902	-	-	133,598	-	-	184,500
School capital outlay	-	-	-	-	619,505	-	619,505
Instructional services	-	-	-	5,144,961	-	-	5,144,961
Individual schools	-	-	-	-	-	999,701	999,701
Assigned:							
Subsequent year's expenditures	3,133,647	-	-	-	-	-	3,133,647
Special revenues	-	-	-	3,344,613	-	-	3,344,613
Unassigned	11,275,090	-	-	-	-	-	11,275,090
Total fund balances	<u>14,459,639</u>	<u>-</u>	<u>-</u>	<u>8,623,172</u>	<u>619,505</u>	<u>999,701</u>	<u>24,702,017</u>
Total liabilities and fund balances	<u>\$ 16,496,375</u>	<u>\$ 2,797,463</u>	<u>\$ 133,817</u>	<u>\$ 8,730,517</u>	<u>\$ 696,514</u>	<u>\$ 1,001,394</u>	<u>\$ 29,856,080</u>

The notes to the basic financial statements are an integral part of this statement.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2019**

**Exhibit 3 (continued)**

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances of governmental funds	\$ 24,702,017
Net OPEB asset	110,070
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	71,833,561
Deferred outflows of resources related to pensions	22,508,692
Deferred outflows of resources related to OPEB	5,782,074
Some liabilities, including those for compensated absences and installment purchases, are not due and payable in the current period and therefore are not reported in the funds.	(7,071,941)
Net pension liability	(40,919,518)
Net OPEB liability	(103,734,745)
Deferred inflows of resources related to pensions	(1,958,186)
Deferred inflows of resources related to OPEB	<u>(59,714,759)</u>
Net position (deficit) of governmental activities	<u>\$ (88,462,735)</u>



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

**Exhibit 4**

	Major Funds					Non-major Fund	Total
	General	State Public School	Federal Grants	Other Restricted	Capital Outlay	Individual Schools	Governmental Funds
<b>Revenues:</b>							
State of North Carolina	\$ -	\$ 77,992,050	\$ -	\$ 85,720	\$ 740,244	\$ -	\$ 78,818,014
Rockingham County:							
Local current expense	15,834,840	-	-	-	-	-	15,834,840
Other	-	-	-	-	1,509,238	-	1,509,238
U.S. Government	-	-	8,429,541	502,932	-	-	8,932,473
Contributions and donations	-	-	-	625,667	-	-	625,667
Other	576,062	-	-	3,210,133	4,292	2,703,339	6,493,826
Total revenues	<u>16,410,902</u>	<u>77,992,050</u>	<u>8,429,541</u>	<u>4,424,452</u>	<u>2,253,774</u>	<u>2,703,339</u>	<u>112,214,058</u>
<b>Expenditures:</b>							
Current:							
Instructional services:							
Regular instructional	1,162,933	44,406,473	563,615	1,344,852	314,895	-	47,792,768
Special populations	17,926	9,985,628	2,953,805	507,439	-	-	13,464,798
Alternative programs	17,813	2,117,738	3,465,912	717	-	-	5,602,180
School leadership	1,102,513	5,703,070	-	30,680	57,877	-	6,894,140
Co-curricular	787,225	-	3,283	13,258	-	2,744,956	3,548,722
School-based support	101,652	6,049,587	443,842	527,446	-	-	7,122,527
System-wide support services:							
Support and development	216,108	884,466	149,787	225	-	-	1,250,586
Special population support and development	91,000	162,591	276,391	329,784	-	-	859,766
Alternative programs and services support and development	-	47,031	167,260	1,396	-	-	215,687
Technology support	791,693	498,656	-	-	-	-	1,290,349
Operational support	7,732,042	6,288,994	232,882	223,754	282,764	-	14,760,436
Financial and human resource services	314,356	849,731	-	-	-	-	1,164,087
Accountability	33,693	58,722	-	-	-	-	92,415
System-wide pupil support	117,039	54,359	3,022	22,417	-	-	196,837
Policy, leadership and public relations	725,587	821,873	-	43,819	3,118	-	1,594,397
Ancillary services	4,777	63,131	-	249,714	-	-	317,622
Non-programmed charges	1,255,583	-	169,742	-	-	-	1,425,325
Debt service:							
Principal retirement	-	-	-	-	740,244	-	740,244
Capital outlay	-	-	-	-	1,300,850	-	1,300,850
Total expenditures	<u>14,471,940</u>	<u>77,992,050</u>	<u>8,429,541</u>	<u>3,295,501</u>	<u>2,699,748</u>	<u>2,744,956</u>	<u>109,633,736</u>
Revenues over (under) expenditures	1,938,962	-	-	1,128,951	(445,974)	(41,617)	2,580,322
Other financing sources:							
Installment purchase obligations issued	-	-	-	-	263,103	-	263,103
Net change in fund balance	1,938,962	-	-	1,128,951	(182,871)	(41,617)	2,843,425
<b>Fund balances:</b>							
Beginning of year	<u>12,520,677</u>	-	-	<u>7,494,221</u>	<u>802,376</u>	<u>1,041,318</u>	<u>21,858,592</u>
End of year	<u>\$ 14,459,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,623,172</u>	<u>\$ 619,505</u>	<u>\$ 999,701</u>	<u>\$ 24,702,017</u>

The notes to the basic financial statements are an integral part of this statement.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2019**

**Exhibit 5**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 2,843,425
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(3,644,460)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	7,411,226
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	3,865,415
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	477,141
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Pension (expense) benefit	(8,603,743)
Net OPEB (expense) benefit	2,467,616
Compensated absences	(18,426)
Loss on disposal of capital assets	<u>(1,178)</u>
Total changes in net position of governmental activities	<u>\$ 4,797,016</u>

*The notes to the basic financial statements are an integral part of this statement.*



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

**Exhibit 6**

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Rockingham County	15,834,840	15,834,840	15,834,840	-
U.S. Government	-	-	-	-
Contributions and donations	-	-	-	-
Other	<u>340,000</u>	<u>340,000</u>	<u>576,062</u>	<u>236,062</u>
Total revenues	<u>16,174,840</u>	<u>16,174,840</u>	<u>16,410,902</u>	<u>236,062</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	2,436,238	2,244,785	1,162,933	1,081,852
Special populations	57,387	43,967	17,926	26,041
Alternative programs	24,975	35,495	17,813	17,682
School leadership	2,895,587	2,780,285	1,102,513	1,677,772
Co-curricular	853,966	841,821	787,225	54,596
School-based support	<u>578,882</u>	<u>644,532</u>	<u>101,652</u>	<u>542,880</u>
Total instructional services	<u>6,847,035</u>	<u>6,590,885</u>	<u>3,190,062</u>	<u>3,400,823</u>
System-wide support services:				
Support and development	388,802	382,302	216,108	166,194
Special population support and development	142,709	142,709	91,000	51,709
Alternative programs and services support and development	-	-	-	-
Technology support	1,031,739	947,439	791,693	155,746
Operational support	9,558,946	9,884,196	7,732,042	2,152,154
Financial and human resource services	528,704	517,704	314,356	203,348
Accountability	40,250	40,250	33,693	6,557
System-wide pupil support	127,010	129,010	117,039	11,971
Policy, leadership and public relations	<u>879,781</u>	<u>910,481</u>	<u>725,587</u>	<u>184,894</u>
Total system-wide support services	<u>12,697,941</u>	<u>12,954,091</u>	<u>10,021,518</u>	<u>2,932,573</u>
Ancillary services:				
Community	-	-	-	-
Nutrition	<u>9,000</u>	<u>9,000</u>	<u>4,777</u>	<u>4,223</u>
Total ancillary services	<u>9,000</u>	<u>9,000</u>	<u>4,777</u>	<u>4,223</u>
Nonprogrammed charges	1,604,750	1,604,750	1,255,583	349,167
Total expenditures	<u>21,158,726</u>	<u>21,158,726</u>	<u>14,471,940</u>	<u>6,686,786</u>
Revenues over (under) expenditures	(4,983,886)	(4,983,886)	1,938,962	6,922,848
Fund balance appropriated	<u>4,983,886</u>	<u>4,983,886</u>	-	(4,983,886)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,938,962	<u>\$ 1,938,962</u>
Fund balances:				
Beginning of year			<u>12,520,677</u>	
End of year			<u>\$ 14,459,639</u>	

The notes to the basic financial statements are an integral part of this statement.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**

**Exhibit 6 (continued)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**

**For the Fiscal Year Ended June 30, 2019**

	State Public School Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 76,856,962	\$ 85,326,868	\$ 77,992,050	\$ (7,334,818)
Rockingham County	-	-	-	-
U.S. Government	-	-	-	-
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>76,856,962</u>	<u>85,326,868</u>	<u>77,992,050</u>	<u>(7,334,818)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	44,334,640	47,907,133	44,406,473	3,500,660
Special populations	9,756,133	10,519,564	9,985,628	533,936
Alternative programs	1,552,403	2,790,614	2,117,738	672,876
School leadership	4,216,836	6,169,340	5,703,070	466,270
Co-curricular	-	-	-	-
School-based support	<u>6,496,666</u>	<u>7,151,113</u>	<u>6,049,587</u>	<u>1,101,526</u>
Total instructional services	<u>66,356,678</u>	<u>74,537,764</u>	<u>68,262,496</u>	<u>6,275,268</u>
System-wide support services:				
Support and development	824,530	1,017,139	884,466	132,673
Special population support and development	589,762	189,750	162,591	27,159
Alternative programs and services support and development	35,949	84,949	47,031	37,918
Technology support	889,133	816,036	498,656	317,380
Operational support	6,314,291	6,572,923	6,288,994	283,929
Financial and human resource services	828,496	966,980	849,731	117,249
Accountability	56,623	64,672	58,722	5,950
System-wide pupil support	66,261	63,095	54,359	8,736
Policy, leadership and public relations	<u>835,257</u>	<u>940,845</u>	<u>821,873</u>	<u>118,972</u>
Total system-wide support services	<u>10,440,302</u>	<u>10,716,389</u>	<u>9,666,423</u>	<u>1,049,966</u>
Ancillary services:				
Community	-	-	-	-
Nutrition	<u>59,982</u>	<u>72,715</u>	<u>63,131</u>	<u>9,584</u>
Total ancillary services	<u>59,982</u>	<u>72,715</u>	<u>63,131</u>	<u>9,584</u>
Nonprogrammed charges	-	-	-	-
Total expenditures	<u>76,856,962</u>	<u>85,326,868</u>	<u>77,992,050</u>	<u>7,334,818</u>
Revenues over (under) expenditures	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

The notes to the basic financial statements are an integral part of this statement.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**

**Exhibit 6 (continued)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**

**For the Fiscal Year Ended June 30, 2019**

Federal Grants Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Rockingham County	-	-	-	-
U.S. Government	11,492,226	12,539,330	8,429,541	(4,109,789)
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>11,492,226</u>	<u>12,539,330</u>	<u>8,429,541</u>	<u>(4,109,789)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	696,855	1,169,259	563,615	605,644
Special populations	4,130,476	4,151,154	2,953,805	1,197,349
Alternative programs	4,471,491	4,783,910	3,465,912	1,317,998
School leadership	-	-	-	-
Co-curricular	2,200	3,284	3,283	1
School-based support	<u>534,699</u>	<u>555,373</u>	<u>443,842</u>	<u>111,531</u>
Total instructional services	<u>9,835,721</u>	<u>10,662,980</u>	<u>7,430,457</u>	<u>3,232,523</u>
System-wide support services:				
Support and development	193,965	195,014	149,787	45,227
Special population support and development	258,291	381,775	276,391	105,384
Alternative programs and services support and development	169,862	169,862	167,260	2,602
Technology support	-	6,000	-	6,000
Operational support	289,737	300,207	232,882	67,325
Financial and human resource services	-	-	-	-
Accountability	-	-	-	-
System-wide pupil support	-	41,534	3,022	38,512
Policy, leadership and public relations	-	-	-	-
Total system-wide support services	<u>911,855</u>	<u>1,094,392</u>	<u>829,342</u>	<u>265,050</u>
Ancillary services:				
Community	-	-	-	-
Nutrition	-	<u>33,060</u>	-	<u>33,060</u>
Total ancillary services	-	<u>33,060</u>	-	<u>33,060</u>
Nonprogrammed charges	<u>744,650</u>	<u>748,898</u>	<u>169,742</u>	<u>579,156</u>
Total expenditures	<u>11,492,226</u>	<u>12,539,330</u>	<u>8,429,541</u>	<u>4,109,789</u>
Revenues over (under) expenditures	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

The notes to the basic financial statements are an integral part of this statement.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**

**Exhibit 6 (continued)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**

**For the Fiscal Year Ended June 30, 2019**

	Other Restricted Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 85,720	\$ 85,720	\$ 85,720	\$ -
Rockingham County	-	-	-	-
U.S. Government	829,041	829,041	502,932	(326,109)
Contributions and donations	713,185	1,106,440	625,667	(480,773)
Other	<u>3,668,487</u>	<u>3,812,505</u>	<u>3,210,133</u>	<u>(602,372)</u>
Total revenues	<u>5,296,433</u>	<u>5,833,706</u>	<u>4,424,452</u>	<u>(1,409,254)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	1,801,252	2,046,099	1,344,852	701,247
Special populations	995,106	928,188	507,439	420,749
Alternative programs	63,914	51,867	717	51,150
School leadership	57,794	82,540	30,680	51,860
Co-curricular	9,000	19,849	13,258	6,591
School-based support	<u>888,967</u>	<u>1,271,723</u>	<u>527,446</u>	<u>744,277</u>
Total instructional services	<u>3,816,033</u>	<u>4,400,266</u>	<u>2,424,392</u>	<u>1,975,874</u>
System-wide support services:				
Support and development	-	225	225	-
Special population support and development	276,999	348,159	329,784	18,375
Alternative programs and services support and development	-	2,200	1,396	804
Technology support	-	-	-	-
Operational support	1,162,438	1,240,897	223,754	1,017,143
Financial and human resource services	-	-	-	-
Accountability	-	-	-	-
System-wide pupil support	-	23,523	22,417	1,106
Policy, leadership and public relations	<u>2,100</u>	<u>50,991</u>	<u>43,819</u>	<u>7,172</u>
Total system-wide support services	<u>1,441,537</u>	<u>1,665,995</u>	<u>621,395</u>	<u>1,044,600</u>
Ancillary services:				
Community	303,610	304,542	249,714	54,828
Nutrition	-	-	-	-
Total ancillary services	<u>303,610</u>	<u>304,542</u>	<u>249,714</u>	<u>54,828</u>
Nonprogrammed charges	400	-	-	-
Total expenditures	<u>5,561,580</u>	<u>6,370,803</u>	<u>3,295,501</u>	<u>3,075,302</u>
Revenues over (under) expenditures	(265,147)	(537,097)	1,128,951	1,666,048
Fund balance appropriated	<u>265,147</u>	<u>537,097</u>	-	<u>(537,097)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,128,951	<u>\$ 1,128,951</u>
Fund balances:				
Beginning of year			<u>7,494,221</u>	
End of year			<u>\$ 8,623,172</u>	

The notes to the basic financial statements are an integral part of this statement.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND TYPES**  
**June 30, 2019**

**Exhibit 7**

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 1,762,954	\$ 140,915	\$ 1,903,869
Due from other governments	88,382	-	88,382
Receivables	29,148	115	29,263
Net OPEB asset	2,633	642	3,275
Inventories	347,686	-	347,686
Total current assets	<u>2,230,803</u>	<u>141,672</u>	<u>2,372,475</u>
Noncurrent assets:			
Capital assets:			
Furniture and equipment, net	196,985	-	196,985
Total assets	<u>2,427,788</u>	<u>141,672</u>	<u>2,569,460</u>
<b>Deferred Outflows of Resources</b>	<u>676,952</u>	<u>164,891</u>	<u>841,843</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	15,864	1,709	17,573
Compensated absences	61,469	11,759	73,228
Unearned revenue	41,097	-	41,097
Total current liabilities	<u>118,430</u>	<u>13,468</u>	<u>131,898</u>
Noncurrent liabilities:			
Net pension liability	979,141	238,496	1,217,637
Net OPEB liability	2,482,212	604,610	3,086,822
Compensated absences	101,399	11,239	112,638
Total noncurrent liabilities	<u>3,562,752</u>	<u>854,345</u>	<u>4,417,097</u>
Total liabilities	<u>3,681,182</u>	<u>867,813</u>	<u>4,548,995</u>
<b>Deferred Inflows of Resources</b>	<u>1,475,740</u>	<u>359,456</u>	<u>1,835,196</u>
<b>Net position</b>			
Investment in capital assets	196,985	-	196,985
Restricted for DIPNC OPEB plan	12,148	2,960	15,108
Unrestricted (deficit)	<u>(2,261,315)</u>	<u>(923,666)</u>	<u>(3,184,981)</u>
Total net position (deficit)	<u>\$ (2,052,182)</u>	<u>\$ (920,706)</u>	<u>\$ (2,972,888)</u>

*The notes to the basic financial statements are an integral part of this statement.*



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND TYPES**  
**For the Fiscal Year Ended June 30, 2019**

**Exhibit 8**

	Enterprise		
	Major Funds		Totals
	School Food Service	Child Care	
Operating revenues:			
Food sales	\$ 1,180,325	\$ -	\$ 1,180,325
Child care fees	-	631,509	631,509
Total operating revenues	<u>1,180,325</u>	<u>631,509</u>	<u>1,811,834</u>
Operating expenses:			
Food cost:			
Purchase of food	1,994,581	12,593	2,007,174
Donated commodities	357,478	-	357,478
Salaries and benefits	2,495,912	511,608	3,007,520
Indirect costs	364,778	-	364,778
Materials and supplies	12,793	4,798	17,591
Repairs and maintenance	102,988	-	102,988
Depreciation	39,470	-	39,470
Non-capitalized equipment	4,943	357	5,300
Contracted services	1,679	-	1,679
Loss on disposal of capital assets	432	-	432
Other	34,006	24,639	58,645
Total operating expenses	<u>5,409,060</u>	<u>553,995</u>	<u>5,963,055</u>
Operating loss	<u>(4,228,735)</u>	<u>77,514</u>	<u>(4,151,221)</u>
Nonoperating revenues:			
Federal reimbursements	4,387,309	-	4,387,309
Federal commodities	357,478	-	357,478
State reimbursements	7,011	-	7,011
Indirect costs not paid	364,778	-	364,778
Interest earned	12,804	1,562	14,366
Contributions and donations	31,070	-	31,070
Total nonoperating revenues	<u>5,160,450</u>	<u>1,562</u>	<u>5,162,012</u>
Change in net position	931,715	79,076	1,010,791
Net position (deficit), beginning of year	<u>(2,983,897)</u>	<u>(999,782)</u>	<u>(3,983,679)</u>
Net position (deficit), end of year	<u>\$ (2,052,182)</u>	<u>\$ (920,706)</u>	<u>\$ (2,972,888)</u>

*The notes to the basic financial statements are an integral part of this statement.*



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPES**  
**For the Fiscal Year Ended June 30, 2019**

**Exhibit 9**

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 1,188,889	\$ 631,394	\$ 1,820,283
Cash paid for goods and services	(2,311,457)	(43,650)	(2,355,107)
Cash paid to employees for services	(2,610,865)	(609,211)	(3,220,076)
Net cash used by operating activities	<u>(3,733,433)</u>	<u>(21,467)</u>	<u>(3,754,900)</u>
Cash flows from noncapital financing activities:			
Due to other funds	(600,000)	-	(600,000)
Federal and State reimbursements	4,432,989	-	4,432,989
Contributions and donations	31,070	-	31,070
Net cash provided (used) by noncapital financing activities	<u>3,864,059</u>	<u>-</u>	<u>3,864,059</u>
Cash flows from investing activities:			
Interest earned on investments	12,804	1,562	14,366
Net increase (decrease) in cash and cash equivalents	128,988	(19,905)	109,083
Cash and cash equivalents, beginning of year	<u>1,633,966</u>	<u>160,820</u>	<u>1,794,786</u>
Cash and cash equivalents, end of year	<u>\$ 1,762,954</u>	<u>\$ 140,915</u>	<u>\$ 1,903,869</u>
Reconciliation of operating income (loss) to net cash used by operating activities:			
Operating income (loss)	\$ (4,228,735)	\$ 77,514	\$ (4,151,221)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Depreciation	39,470	-	39,470
Donated commodities	357,478	-	357,478
Loss on disposal of capital assets	432	-	432
Indirect costs not paid	364,778	-	364,778
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	2,526	(115)	2,411
Decrease in net OPEB asset	2,813	765	3,578
Decrease in inventories	(132,691)	-	(132,691)
Decrease in accounts payable and accrued liabilities	(27,776)	(1,263)	(29,039)
Decrease in accrued salaries and wages payable	(16,531)	-	(16,531)
Increase in unearned revenue	6,038	-	6,038
Increase in net pension liability	169,853	29,412	199,265
Decrease in net OPEB liability	(531,008)	(173,871)	(704,879)
Increase in deferred outflows	(124,917)	(22,269)	(147,186)
Increase in deferred inflows	368,033	73,274	441,307
Increase (decrease) in compensated absences payable	16,804	(4,914)	11,890
Total adjustments	<u>495,302</u>	<u>(98,981)</u>	<u>396,321</u>
Net cash used by operating activities	<u>\$ (3,733,433)</u>	<u>\$ (21,467)</u>	<u>\$ (3,754,900)</u>

*The notes to the basic financial statements are an integral part of this statement.*



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPES**  
**For the Fiscal Year Ended June 30, 2019**

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*Exhibit 9 (continued)*

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$357,478 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

Indirect costs of \$364,778 that would be due to the Restricted Revenue Fund were not paid. These unpaid costs are reflected as a non-operating revenue and an operating expense on Exhibit 8.

The School Service Fund reported a loss on disposal of capital assets of \$432.

*The notes to the basic financial statements are an integral part of this statement.*



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2019**

**Exhibit 10**

	Private Purpose Trust Fund	Agency Fund
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and cash equivalents	\$ 113,919	\$ -
<b>Liabilities</b>		
Due to NC Department of Public Instruction	<u>                    -</u>	<u>                    -</u>
<b>Net position</b>		
Assets held in trust for private purpose	<u>\$ 113,919</u>	<u>\$ -</u>

*The notes to the financial statements are an integral part of this statement.*



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**For the Fiscal Year Ended June 30, 2019**

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**Exhibit 11**

	<u>Private Purpose Trust Fund</u>
Additions:	
Contributions and other revenue	\$ <u>2,960</u>
Deductions:	
Instructional costs	<u>500</u>
Change in net position	2,460
Beginning net position	<u>111,459</u>
Ending net position	<u>\$ 113,919</u>

*The notes to the financial statements are an integral part of this statement.*



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2019**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Rockingham County Board of Education conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Rockingham County Board of Education (Board) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Rockingham County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board has no component units.

B. Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Board and for each function of the Board's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Board's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The fiduciary funds are presented separately.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. All expenses are considered to be operating expenses.

The Board reports the following major governmental funds:

*General Fund.* The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are accounted for in another fund.

*State Public School Fund.* The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2019**

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*Federal Grants Fund.* The Federal Grants Fund includes appropriations from the U.S. Government for the current operating expenditures of the public school system.

*Other Restricted Fund.* The Other Restricted Fund is used to account for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, federal and State grants restricted as to use, federal and State appropriations made directly to local school administrative units, funds received for prekindergarten programs and special programs. The Other Restricted Fund is reported as a special revenue fund.

*Capital Outlay Fund.* The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S.115C-426]. Capital projects are funded by Rockingham County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, lottery proceeds as well as certain State assistance.

The Board reports the following nonmajor governmental fund:

*Individual Schools Fund.* The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs. The Individual Schools Fund is reported as a special revenue fund.

The Board reports the following major enterprise funds:

*School Food Service Fund.* The School Food Service Fund is used to account for the food service program within the school system.

*Child Care Fund.* The Child Care Fund is used to account for the after school care program at the elementary schools within the school system. The costs associated with these programs are recovered by user charges.

The Board reports the following fiduciary funds:

*Private Purpose Trust Fund.* The Private Purpose Trust Fund is used to account for scholarship money under the control of the Board for the benefit of students in the County.

*Child Nutrition Agency Fund.* This fund is used to account for moneys held for the School Nutrition Services section of the N.C. Department of Public Instruction for which the Board is the fiscal agent.

C. Measurement Focus and Basis of Accounting

*Government-wide, Proprietary and Fiduciary Fund Financial Statements.* The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2019**

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recorded when the related fund liability is incurred, except for claims and judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Board funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Board's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys (up to \$5,000) from one function to another within a fund. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. All amendments must be approved by the Board of Education. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Fund Equity

1. Deposits and Investments

All deposits of the Board are made in board-designated official depositories and are secured as required by State law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with State laws and regulations. It is not registered with the SEC. The STIF consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. The NCCMT is reported at fair value. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2019**

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2. Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Capital Assets

Donated assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before December 31, 2005 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives is not capitalized.

Rockingham County holds title to certain properties, which are reflected as capital assets in the financial statements of the Board. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board gives the schools full use of the facilities, full responsibility for maintenance of the facilities, and provides that the County will convey title of the property back to the Board, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	40
Playground structures/fencing	15
Equipment and furniture	5-12
Vehicles	5-12

5. Deferred outflows and inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has two items that meet this criterion – pension and other post-employment benefit-related deferrals. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has two items that meet this criterion – pension and other post-employment benefit-related deferrals.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2019**

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6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

7. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2019 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

The sick leave policy of the Board provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

8. Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, or imposed by law through State statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

*Restricted fund balance* – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute - portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)]. The restriction will be released as of the beginning of the subsequent fiscal year following collection of the amounts owed to the district.

Restricted for school capital outlay - portion of fund balance that can only be used for school capital outlay [G.S. 159-18 through 22].

Restricted for instructional services – grant and other revenues restricted for expenditure for various instructional services, as allowable by the funding source.

Restricted for individual schools – revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund raising activities for which they were collected.

*Assigned fund balance* – portion of fund balance that the Board of Education intends to use for specific purposes. The assignment of fund balance is governed by NC General Statutes. The Board of Education is authorized to approve appropriations of fund balance in accordance with restrictions established by NC General Statutes.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2019**

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted. The Board of Education approves the appropriation.

Special revenues – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related expenditures that the Board of Education has assigned to be expended for educational services. This amount can be expended on instructional services, system-wide support services, ancillary services or non-programmed charges.

*Unassigned fund balance* – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will pay expenditures from restricted revenue sources first and then from general unrestricted revenues. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

**9. Reconciliation of Government-wide and Fund Financial Statements**

**a. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(113,164,752) consists of the following elements:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 208,496,864
Less accumulated depreciation	<u>(136,663,303)</u>
Net capital assets	71,833,561
Net OPEB asset	110,070
Deferred outflows of resources related to pensions	22,508,692
Deferred outflows of resources related to OPEB	5,782,074
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Installment purchases	(708,958)
Compensated absences	(6,362,983)
Net pension liability	(40,919,518)
Net OPEB liability	(103,734,745)
Deferred inflows of resources related to pensions	(1,958,186)
Deferred inflows of resources related to OPEB	<u>(59,714,759)</u>
Total adjustment	<u>\$ (113,164,752)</u>



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2019**

b. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$1,953,591 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 514,650
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(4,159,110)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(263,103)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position on the government-wide statements	740,244
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	7,411,226
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	3,865,415
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Pension (expense) benefit	(8,603,743)
OPEB (expense) benefit	2,467,616
Loss on disposal of asset	(1,178)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(18,426)
Total adjustment	<u>\$ 1,953,591</u>

10. Defined Benefit Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS, RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF and DIPNC. Investments are reported at fair value.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2019**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS**

A. Assets

1. Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2019, the Board had deposits with banks and savings and loans with a carrying amount of \$28,507,895 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$29,190,762 and \$493,554, respectively. Of these balances, \$1,290,890 was covered by federal depository insurance and \$28,393,426 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2019, the Board had \$250,193 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's and is classified in Level 1 of the fair value hierarchy. The Board has no investment balances in the STIF as of June 30, 2019. The Board has no policy for managing interest rate risk or credit risk. All investments are measured using the market approach.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2019**

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3. Accounts Receivable

Receivables at the government-wide level at June 30, 2019 are as follows:

	Due from (to) other Funds (Internal Balances)	Due from other Governments	Other	Total
Governmental activities:				
General Fund	\$ (10,098)	\$ 18,026	\$ 31,183	\$ 39,111
Other governmental funds	<u>10,098</u>	<u>2,937,508</u>	<u>115,579</u>	<u>3,063,185</u>
Total governmental activities	<u>\$ -</u>	<u>\$ 2,955,534</u>	<u>\$ 146,762</u>	<u>\$ 3,102,296</u>
Business-type activities:				
School Food Service Fund	\$ -	\$ 88,382	\$ 29,148	\$ 117,530
Child Care Fund	<u>-</u>	<u>-</u>	<u>115</u>	<u>115</u>
Total business-type activities	<u>\$ -</u>	<u>\$ 88,382</u>	<u>\$ 29,263</u>	<u>\$ 117,645</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 18,026	Amounts due from County
State Public School Fund	2,797,463	Operating funds from DPI
Federal Grants Fund	133,817	Federal grant funds
Other Restricted Fund	<u>6,228</u>	Federal grant funds
Total	<u>\$ 2,955,534</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 88,382</u>	Federal grant funds



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2019**

4. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,986,396	\$ -	\$ -	\$ 2,986,396
Construction in progress	<u>62,386</u>	<u>106,857</u>	<u>152,093</u>	<u>17,150</u>
Total capital assets not being depreciated	<u>3,048,782</u>	<u>106,857</u>	<u>152,093</u>	<u>3,003,546</u>
Capital assets being depreciated:				
Buildings and improvements	187,003,388	152,093	3,500	187,151,981
Equipment and furniture	4,652,428	104,516	127,400	4,629,544
Vehicles	<u>13,865,716</u>	<u>303,277</u>	<u>457,200</u>	<u>13,711,793</u>
Total capital assets being depreciated	<u>205,521,532</u>	<u>559,886</u>	<u>588,100</u>	<u>205,493,318</u>
Less accumulated depreciation for:				
Buildings and improvements	117,493,990	3,315,677	3,500	120,806,167
Equipment and furniture	4,000,869	208,346	126,222	4,082,993
Vehicles	<u>11,596,256</u>	<u>635,087</u>	<u>457,200</u>	<u>11,774,143</u>
Total accumulated depreciation	<u>133,091,115</u>	<u>4,159,110</u>	<u>586,922</u>	<u>136,663,303</u>
Total capital assets being depreciated, net	<u>72,430,417</u>			<u>68,830,015</u>
Governmental activity capital assets, net	<u>\$ 75,479,199</u>			<u>\$ 71,833,561</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 3,244,084	\$ 14,442	\$ 61,926	\$ 3,196,600
Less accumulated depreciation for:				
Equipment and furniture	<u>3,021,639</u>	<u>39,470</u>	<u>61,494</u>	<u>2,999,615</u>
School Food Service capital assets, net	<u>222,445</u>			<u>196,985</u>
Child Care Fund:				
Capital assets being depreciated:				
Equipment and furniture	15,551	-	-	15,551
Less accumulated depreciation for:				
Equipment and furniture	<u>15,551</u>	<u>-</u>	<u>-</u>	<u>15,551</u>
Child Care Fund capital assets, net	<u>-</u>			<u>-</u>
Business-type activities capital assets, net	<u>\$ 222,445</u>			<u>\$ 196,985</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 3,524,023
System-wide support services	<u>635,087</u>
Total	<u>\$ 4,159,110</u>



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B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

*Plan Description.* The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Teachers' and State Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2019, was 12.29% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$7,631,761 for the year ended June 30, 2019.



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*Refunds of Contributions* – Board employees who have terminated service as a contributing member of TSERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by TSERS.

At June 30, 2019, the Board reported a liability of \$42,137,155 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2018 and at June 30, 2017, the Board's proportion was 0.4232% and 0.4399%, respectively.

For the year ended June 30, 2019, the Board recognized pension expense of \$8,854,008. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	3,075,198	\$ 422,874
Changes of assumptions	8,455,843	-
Net difference between projected and actual earnings on pension plan investments	4,015,678	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	1,593,582
Board contributions subsequent to the measurement date	<u>7,631,761</u>	-
Total	<u>\$ 23,178,480</u>	<u>\$ 2,016,456</u>

\$7,631,761 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2020	\$ 8,115,482
2021	5,031,366
2022	457,154
2023	<u>(73,739)</u>
Total	<u>\$ 13,530,263</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:



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Inflation	3.0 percent
Salary increases	3.5 to 8.1 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rates used to measure the total pension liability reported at June 30, 2019 and 2018 were 7.00% and 7.20%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term



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expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Boards proportionate share of the net pension asset to changes in the discount rate.* The following presents the Board’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Board’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Board's proportionate share of the net pension liability (asset)	\$ 80,362,697	\$ 42,137,155	\$ 10,062,141

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. Other Postemployment Benefits

1. Healthcare Benefits

*Plan description.* The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135-7, Article 1. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina’s CAFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

*Benefits provided.* Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the



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Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

*Contributions.* By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.27% of covered payroll which amounted to \$3,893,502.

At June 30, 2019, the Board reported a liability of \$106,821,567 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. The total OPEB liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2018 and 2017, the Board's proportion was 0.3750% and 0.3963%, respectively.

\$3,893,502 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:



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Year ended June 30:

2020	\$ (13,595,290)
2021	(13,595,290)
2022	(13,595,290)
2023	(13,583,867)
2024	<u>(5,470,832)</u>
Total	<u>\$ (59,840,569)</u>

*Actuarial assumptions.* Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	3.00%
Salary increases	3.50-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate - medical	5.00-6.50%
Healthcare cost trend rate - prescription drug	5.00-7.25%
Healthcare cost trend rate -Medicare advantage	5.00%
Healthcare cost trend rate - administrative	3.00%

*Discount rate.* The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2019 and 2018 were 3.87% and 3.58%, respectively. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan’s fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.87% was used as the discount rate used to measure the total OPEB liability. The 3.87% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2018.

*Sensitivity of the Board’s proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the Board’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.87 percent) or 1-percentage point higher (4.87 percent) than the current discount rate:

	1% decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB liability	\$ 126,210,761	\$ 106,821,567	\$ 91,279,051

*Sensitivity of the Board’s proportionate share of the net OPEB liability to changes in the healthcare trend rates.* The following presents the Board’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare trend rates:



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	Healthcare Trend Rates	
1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-6.25%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical -5.00-6.50%, Pharmacy - 5.00-7.25%, Medicare Advantage - 4.00-5.00%, Administrative - 3.00%)	1% increase (Medical -6.00-7.50%, Pharmacy - 6.00-8.25%, Medicare Advantage - 6.00%, Administrative - 4.00%)

Net OPEB liability      \$                    88,125,013      \$                    106,821,567      \$                    131,366,483

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued CAFR for the State of North Carolina.

**2. Disability Benefits**

*Plan description.* Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan, to the eligible members of TSERS which includes employees of the State, the University of North Carolina System, community colleges, certain Local Education Agencies, and ORP.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina’s CAFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

*Benefits Provided.* Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provide the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers’ Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing 5 years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

*Contributions.* Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2019,



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employers made a statutory contribution of 0.14% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$86,936 for the year ended June 30, 2019.

The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit.

At June 30, 2019, the Board reported an asset of \$113,345 for its proportionate share of the net DIPNC OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. The total OPEB liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2018 and 2017, the Board's proportion was 0.3731% and 0.3842%, respectively.

\$86,936 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2020	\$	80,357
2021		80,345
2022		56,182
2023		43,701
2024		30,999
Thereafter		<u>30,992</u>
Total	\$	<u>322,576</u>

*Actuarial assumptions.* Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	3.00%
Salary increases	3.5%-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan expense, including inflation

*Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate.* The following presents the Board's proportionate share of the net OPEB asset, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (2.75 percent) or 1-percentage point higher (4.75 percent) than the current discount rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB asset	\$ 86,848	\$ 113,345	\$ 138,763

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the



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measurement date of June 30, 2018. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2010 through December 31, 2014.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29%	1.4%
Global Equity	42%	5.3%
Real Estate	8%	4.3%
Alternatives	8%	8.9%
Opportunistic Fixed Income	7%	6.0%
Inflation Sensitive	6%	4.0%
Total	100%	

Following is information related to OPEB expense, proportionate share, assets, liabilities, deferred outflows of resources and deferred inflows of resources reported by the Board as of and for the year ended June 30, 2019:



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	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (benefit)	\$ (2,602,408)	\$ 12,169	\$ (2,590,239)
OPEB liability (asset)	106,821,567	(113,345)	106,708,222
Proportionate share of the net OPEB liability (asset)	0.3750%	0.3731%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ -	\$ 197,719	\$ 197,719
Changes of assumptions	-	21,403	21,403
Net difference between projected and actual earnings on plan investments	11,488	88,274	99,762
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,639,627	15,180	1,654,807
Board contributions subsequent to the measurement date	<u>3,893,502</u>	<u>86,936</u>	<u>3,980,438</u>
Total deferred outflows of resources	<u>\$ 5,544,617</u>	<u>\$ 409,512</u>	<u>\$ 5,954,129</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 7,304,930	\$ -	\$ 7,304,930
Changes of assumptions	46,277,570	-	46,277,570
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>7,909,185</u>	<u>-</u>	<u>7,909,185</u>
Total deferred inflows of resources	<u>\$ 61,491,685</u>	<u>\$ -</u>	<u>\$ 61,491,685</u>

2. Accounts Payable

Accounts payable as of June 30, 2019 are as follows:

	<u>Vendors and Other</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 2,022,576	\$ 2,369	\$ 2,024,945
Other governmental activities	<u>98,833</u>	<u>3,016,801</u>	<u>3,115,634</u>
Total governmental activities	<u>\$ 2,121,409</u>	<u>\$ 3,019,170</u>	<u>\$ 5,140,579</u>
Business-type activities:			
School Food Service Fund	\$ 15,864	\$ -	\$ 15,864
Child Care Fund	<u>1,709</u>	<u>-</u>	<u>1,709</u>
Total business-type activities	<u>\$ 17,573</u>	<u>\$ -</u>	<u>\$ 17,573</u>

3. Unearned Revenues

The balance in unearned revenues at year-end is composed of the following item:

Prepayments of meals (School Food Service Fund)	<u>\$ 41,097</u>
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**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2019**

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4. Deferred Outflows and Inflows of Resources

The balances in deferred outflows and inflows of resources at year-end are composed of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,272,917	\$ 7,727,804
Changes of assumptions	8,477,246	46,277,570
Net difference between projected and actual earnings on pension and OPEB plan investments	4,115,440	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,654,807	9,502,767
Board contributions subsequent to the measurement date	<u>11,612,199</u>	<u>-</u>
Total	<u>\$ 29,132,609</u>	<u>\$ 63,508,141</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1 million per claim. The Trust has an annual aggregate limit for both general liability and errors and omissions of \$3,150,000 each. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage. Statutory workers' compensation coverage is purchased through a private insurer for employees to the extent they are paid from federal and local funds. Workers' compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds. The Board also participates in the Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Public Instruction. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on flood, earthquake, business interruption and extra expense. \$10 million per occurrence is provided on increased cost of construction.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits. The Board pays most of the cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$200,000.



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2019**

The Board carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past three fiscal years.

6. Long-Term Obligations

a. Direct Placement Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through special third party direct placement financing arrangements. During the current and prior fiscal years, the Board received buses under several such financing contracts that it entered into. Each contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15<sup>th</sup> dates. The future minimum payments of the installment purchases as of June 30, 2019 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u> <u>Principal</u>
2020	\$ 449,238
2021	193,945
2022	<u>65,775</u>
Total	<u>\$ 708,958</u>

b. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2019:

	<u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2019</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement installment purchases	\$ 1,186,099	\$ 263,103	\$ 740,244	\$ 708,958	\$ 449,238
Net pension liability	33,881,267	7,038,251	-	40,919,518	-
Net OPEB liability	126,150,073	-	22,415,328	103,734,745	-
Compensated absences	<u>6,344,557</u>	<u>4,237,755</u>	<u>4,219,329</u>	<u>6,362,983</u>	<u>2,537,018</u>
Total	<u>\$167,561,996</u>	<u>\$ 11,539,109</u>	<u>\$ 27,374,901</u>	<u>\$151,726,204</u>	<u>\$ 2,986,256</u>
Business-type activities:					
Net pension liability	\$ 1,018,372	\$ 199,265	\$ -	\$ 1,217,637	\$ -
Net OPEB liability	3,791,701	-	704,879	3,086,822	-
Compensated absences	<u>173,976</u>	<u>134,684</u>	<u>122,794</u>	<u>185,866</u>	<u>73,228</u>
Total	<u>\$ 4,984,049</u>	<u>\$ 333,949</u>	<u>\$ 827,673</u>	<u>\$ 4,490,325</u>	<u>\$ 73,228</u>

Compensated absences, net pension and net OPEB liabilities related to governmental activities are typically liquidated by the General and other governmental funds. Installment purchases are typically liquidated by the Capital Outlay Fund.



**ROCKINGHAM COUNTY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2019**

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C. Interfund Balances

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Individual Schools Fund	\$ 1,693
Other Restricted Fund	General Fund	11,791

These interfund balances were created in the normal operating cycle of the Board. All amounts are expected to be paid prior to June 30, 2020.

D. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation.

Total fund balance - General Fund	\$ 14,459,639
Less:	
Stabilization by State statute	(50,902)
Appropriated fund balance in 2019-2020 budget	<u>(3,133,647)</u>
Remaining fund balance	<u>\$ 11,275,090</u>

**NOTE 3 – OTHER RESTRICTED FUND – OTHER REVENUES**

Other revenues for the fiscal year ended June 30, 2019 in the Other Restricted Fund consists of the following:

Tuition and fees	\$ 1,220,243
Medicaid reimbursement program	1,408,344
Other reimbursements and refunds	150,124
Indirect costs allocated	171,517
Other	<u>885,572</u>
Total other revenues	<u>\$ 3,835,800</u>

**NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

Federal and State Assisted Programs

The Board has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.



**ROCKINGHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Board's proportion of the net pension liability (asset)	0.423%	0.440%	0.456%	0.477%	0.496%
Board's proportionate share of the net pension liability (asset)	\$ 42,137,155	\$ 34,899,639	\$ 41,926,735	\$ 17,559,231	\$ 5,810,870
Board's covered payroll	\$ 62,453,284	\$ 63,057,705	\$ 63,548,546	\$ 66,772,104	\$ 66,332,808
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	67.47%	55.35%	65.98%	26.30%	8.76%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	89.51%	87.32%	94.64%	98.24%
	<u>2014</u>				
Board's proportion of the net pension liability (asset)	0.492%				
Board's proportionate share of the net pension liability (asset)	\$ 29,839,058				
Board's covered payroll	\$ 68,635,615				
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	43.47%				
Plan fiduciary net position as a percentage of the total pension liability	90.60%				

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Note: This is a ten year schedule. However, GASB 68 was not adopted until the fiscal year ended June 30, 2015. Therefore, there are only six years of data presented.



**ROCKINGHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 7,631,761	\$ 6,732,464	\$ 6,293,159	\$ 5,814,692	\$ 6,109,948
Contributions in relation to the contractually required contribution	<u>7,631,761</u>	<u>6,732,464</u>	<u>6,293,159</u>	<u>5,814,692</u>	<u>6,109,948</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 62,097,323	\$ 62,453,284	\$ 63,057,705	\$ 63,548,546	\$ 66,772,104
Contributions as a percentage of covered payroll	12.29%	10.78%	9.98%	9.15%	9.15%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 5,764,321	\$ 5,652,171	\$ 5,094,507	\$ 3,527,124	\$ 2,641,146
Contributions in relation to the contractually required contribution	<u>5,764,321</u>	<u>5,652,171</u>	<u>5,094,507</u>	<u>3,527,124</u>	<u>2,641,146</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 66,332,808	\$ 67,853,189	\$ 68,474,560	\$ 71,544,102	\$ 73,981,667
Contributions as a percentage of covered payroll	8.69%	8.33%	7.44%	4.93%	3.57%



**ROCKINGHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
RETIREE HEALTH BENEFIT FUND  
LAST THREE FISCAL YEARS\***

	2019	2018	2017
Board's proportion of the net OPEB liability (asset)	0.375%	0.396%	0.390%
Board's proportionate share of the net OPEB liability (asset)	\$ 106,821,567	\$ 129,941,774	169,844,587
Board's covered payroll	\$ 62,453,284	\$ 63,057,705	\$ 63,548,546
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	171.04%	206.07%	267.27%
Plan fiduciary net position as a percentage of the total OPEB liability	4.40%	3.52%	2.41%

51 \* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only three years of data presented.



**ROCKINGHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
RETIREE HEALTH BENEFIT FUND  
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,893,502	\$ 3,778,424	\$ 3,653,471	\$ 3,560,838	\$ 3,655,539
Contributions in relation to the contractually required contribution	<u>3,893,502</u>	<u>3,778,424</u>	<u>3,653,471</u>	<u>3,560,838</u>	<u>3,655,539</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 62,097,323	\$ 62,453,284	\$ 63,057,705	\$ 63,548,546	\$ 66,772,104
Contributions as a percentage of covered payroll	6.27%	6.05%	5.81%	5.60%	5.49%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 3,575,307	\$ 3,596,219	\$ 3,423,728	\$ 3,505,661	\$ 3,329,175
Contributions in relation to the contractually required contribution	<u>3,575,307</u>	<u>3,596,219</u>	<u>3,423,728</u>	<u>3,505,661</u>	<u>3,329,175</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 66,332,808	\$ 67,853,189	\$ 68,474,560	\$ 71,544,102	\$ 73,981,667
Contributions as a percentage of covered payroll	5.40%	5.30%	5.00%	4.90%	4.50%



**ROCKINGHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB ASSET  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST THREE FISCAL YEARS\***

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	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset	0.373%	0.384%	0.402%
Board's proportionate share of the net OPEB asset	\$ 113,345	\$ 234,841	\$ 249,816
Board's covered payroll	\$ 62,453,284	\$ 63,057,705	\$ 63,548,546
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.18%	0.37%	0.39%
Plan fiduciary net position as a percentage of the total OPEB asset	108.47%	116.23%	116.06%

53 \* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only three years of data presented.



**ROCKINGHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 86,936	\$ 87,435	\$ 238,953	\$ 260,704	\$ 273,000
Contributions in relation to the contractually required contribution	<u>86,936</u>	<u>87,435</u>	<u>238,953</u>	<u>260,704</u>	<u>273,000</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 62,097,323	\$ 62,453,284	\$ 63,057,705	\$ 63,548,546	\$ 66,772,104
Contributions as a percentage of covered payroll	0.14%	0.14%	0.38%	0.41%	0.41%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 291,321	\$ 298,554	\$ 356,068	\$ 372,029	\$ 384,705
Contributions in relation to the contractually required contribution	<u>291,321</u>	<u>298,554</u>	<u>356,068</u>	<u>372,029</u>	<u>384,705</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 66,332,808	\$ 67,853,189	\$ 68,474,560	\$ 71,544,102	\$ 73,981,667
Contributions as a percentage of covered payroll	0.44%	0.44%	0.52%	0.52%	0.52%





sharp ♯

flat ♭

natural ♮

whole rest

half rest

quarter rest

eighth rest

musical staff with notes and clefs.

**Time Signature**

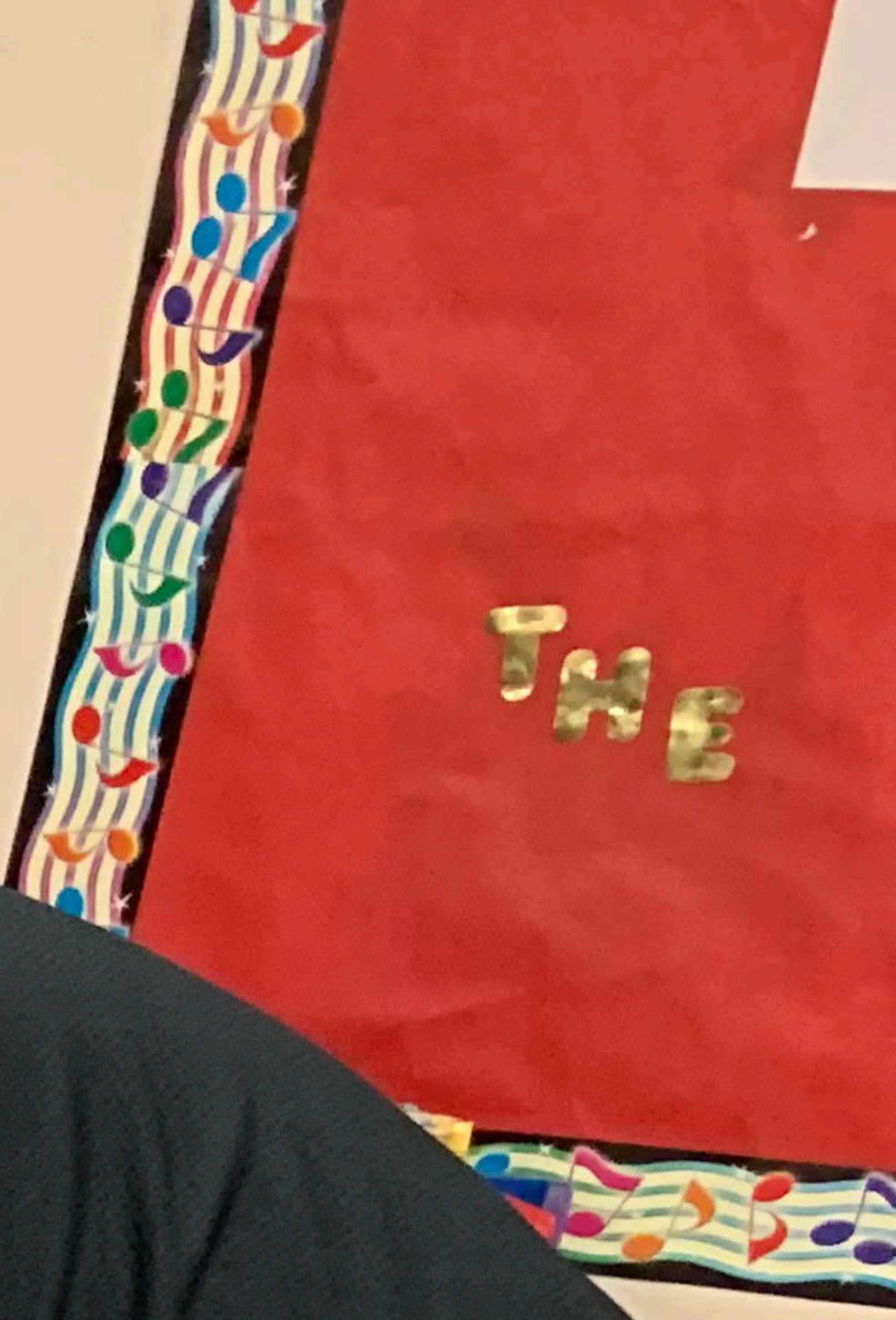
The time signature tells how beats are divided into measures.

2	3	4	6
4	4	4	8

**Dynamics**

Dynamics show how loud or soft music is played.

pp	p	mf	f	ff
Very Soft	Soft	Moderately Loud	Loud	Very Loud



HIP HIP  
Hooray  
IT'S  
Ca'dence's  
100TH DAY

100  
days smarter!

100  
is  
days smarter!

100  
days smarter!

100  
days smarter!



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Rockingham County:			
County appropriation	\$ 15,834,840	\$ 15,834,840	\$ -
Other:			
Fines and forfeitures	300,000	326,756	26,756
Interest earned on investment	10,000	176,100	166,100
Miscellaneous	30,000	73,206	43,206
Total other	<u>340,000</u>	<u>576,062</u>	<u>236,062</u>
Total revenues	<u>16,174,840</u>	<u>16,410,902</u>	<u>236,062</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	2,244,785	1,162,933	1,081,852
Special populations	43,967	17,926	26,041
Alternative programs	35,495	17,813	17,682
School leadership	2,780,285	1,102,513	1,677,772
Co-curricular	841,821	787,225	54,596
School-based support	644,532	101,652	542,880
Total instructional services	<u>6,590,885</u>	<u>3,190,062</u>	<u>3,400,823</u>
System-wide support services:			
Support and development	382,302	216,108	166,194
Special population support and development	142,709	91,000	51,709
Technology support	947,439	791,693	155,746
Operational support	9,884,196	7,732,042	2,152,154
Financial and human resource services	517,704	314,356	203,348
Accountability	40,250	33,693	6,557
System-wide pupil support	129,010	117,039	11,971
Policy, leadership and public relations	910,481	725,587	184,894
Total system-wide support services	<u>12,954,091</u>	<u>10,021,518</u>	<u>2,932,573</u>
Ancillary services:			
Nutrition	9,000	4,777	4,223
Non-programmed charges:			
Payments to other governments	1,604,750	1,255,583	349,167
Total expenditures	<u>21,158,726</u>	<u>14,471,940</u>	<u>6,686,786</u>



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (Continued)**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2019**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues over (under) expenditures	(4,983,886)	1,938,962	6,922,848
Fund balance appropriated	<u>4,983,886</u>	<u>-</u>	<u>(4,983,886)</u>
Net change in fund balance	<u>\$ -</u>	1,938,962	<u>\$ 1,938,962</u>
Fund balance:			
Beginning of year		<u>12,520,677</u>	
End of year		<u>\$ 14,459,639</u>	



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**CAPITAL OUTLAY FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 740,244	\$ 740,244	\$ -
Rockingham County:			
General county appropriations	2,509,238	1,509,238	(1,000,000)
Other:			
Interest earned on investments	-	4,292	4,292
Total revenues	<u>3,249,482</u>	<u>2,253,774</u>	<u>(995,708)</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	353,982	314,895	39,087
School leadership	81,765	57,877	23,888
Total instructional services	<u>435,747</u>	<u>372,772</u>	<u>62,975</u>
System-wide support services:			
Operational support	283,938	282,764	1,174
Policy, leadership and public relations	3,118	3,118	-
Total system-wide support services	<u>287,056</u>	<u>285,882</u>	<u>1,174</u>
Debt service:			
Principal retirement	740,244	740,244	-
Capital outlay	<u>2,851,914</u>	<u>1,300,850</u>	<u>1,551,064</u>
Total expenditures	<u>4,314,961</u>	<u>2,699,748</u>	<u>1,615,213</u>
Revenues under expenditures	<u>(1,065,479)</u>	<u>(445,974)</u>	<u>619,505</u>
Other financing sources:			
Installment purchase obligations issued	263,103	263,103	-
Fund balance appropriated	<u>802,376</u>	-	<u>(802,376)</u>
Net change in fund balance	<u>\$ -</u>	<u>(182,871)</u>	<u>\$ (182,871)</u>
Fund balance:			
Beginning of year		<u>802,376</u>	
End of year		<u>\$ 619,505</u>	



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**SCHOOL FOOD SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues - food sales	\$ 1,132,200	\$ 1,180,325	\$ 48,125
Operating expenditures:			
Business support services:			
Purchase of food		2,127,272	
Donated commodities		357,478	
Salaries and benefits		2,594,334	
Indirect costs		364,778	
Materials and supplies		12,793	
Repairs and maintenance		102,988	
Non-capitalized equipment		4,943	
Contracted services		1,679	
Other		34,006	
Capital outlay		14,442	
Total operating expenditures	6,454,313	5,614,713	839,600
Operating loss	(5,322,113)	(4,434,388)	887,725
Nonoperating revenues:			
Federal reimbursements	4,539,000	4,387,309	(151,691)
Federal commodities	400,000	357,478	(42,522)
State reimbursements	11,000	7,011	(3,989)
Indirect costs not paid	355,113	364,778	9,665
Interest earned	2,000	12,804	10,804
Contributions and donations	15,000	31,070	16,070
Total nonoperating revenues	5,322,113	5,160,450	(161,663)
Net change in fund balance	\$ -	726,062	\$ 726,062
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(39,470)	
Equipment purchases		14,442	
Loss on disposal of capital assets		(432)	
Net OPEB asset		(2,813)	
Net pension liability		(169,853)	
Net OPEB liability		531,008	
Deferred outflows - pension		124,917	
Deferred inflows - pension		(368,033)	
Increase in compensated absences payable		(16,804)	
Decrease in inventory		132,691	
Change in net position (full accrual)		\$ 931,715	



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**CHILD CARE FUND**  
**For the Fiscal Year Ended June 30, 2019**

	Final Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Child care fees	\$ 605,016	\$ 631,509	\$ 26,493
Operating expenditures:			
Regular community services:			
Purchase of food		12,593	
Salaries and benefits		609,211	
Materials and supplies		4,798	
Non-capitalized equipment		357	
Other		24,639	
Total operating expenditures	656,216	651,598	4,618
Operating loss	(51,200)	(20,089)	31,111
Nonoperating revenues:			
Interest earned	1,200	1,562	362
Deficiency of revenues over expenditures before fund balance appropriated	(50,000)	(18,527)	31,473
Fund balance appropriated	50,000	-	(50,000)
Net change in fund balance	\$ -	(18,527)	\$ (18,527)
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Net OPEB asset		(765)	
Net pension liability		(29,412)	
Net OPEB liability		173,871	
Deferred outflows - pension		22,269	
Deferred inflows - pension		(73,274)	
Increase in compensated absences payable		4,914	
Change in net position (full accrual)		\$ 79,076	



**ROCKINGHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**CHILD NUTRITION AGENCY FUND**  
**For the Fiscal Year Ended June 30, 2019**

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	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b>Assets</b>				
Cash and cash equivalents	\$ 341,770	\$ -	\$ 341,770	\$ -
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 341,770	\$ -	\$ 341,770	\$ -





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31



# Statistical Section



## **STATISTICAL SECTION** **(Unaudited)**

The Statistical Section of the District's Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial outlook.

### **Sections**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and operations have changed over time.

#### **Operating Information**

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

#### **Revenue Capacity**

Since the District's local revenues are primarily provided by Rockingham County, these schedules on the county's revenue sources are relevant to an understanding of Rockingham County's most significant local revenue source, the property tax.

#### **Debt Capacity**

Since the District has no tax-levying or debt-issuing authority, the County of Rockingham provides significant funding to the school system. Selected fiscal data from the County of Rockingham has been included to help the reader better understand the school system and its financial operations.

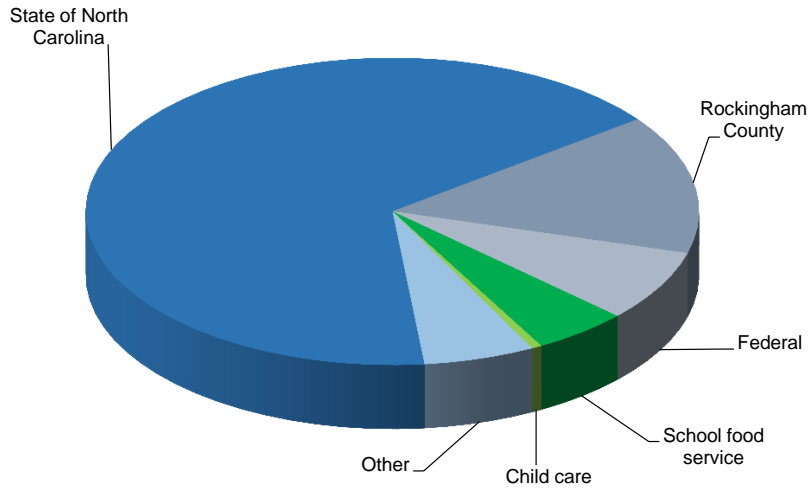
#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.



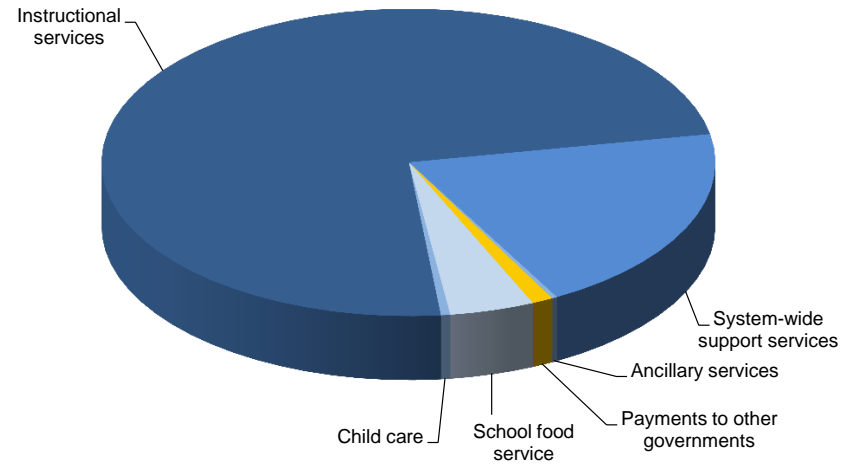
**ROCKINGHAM COUNTY SCHOOLS**  
**Financial Perspective**  
**Governmental and Business-type Activities**  
**For Year Ended June 30, 2019**

**Revenue Sources**



State of North Carolina	\$ 78,818,014
Rockingham County	17,344,078
Federal	8,932,473
School food service	5,975,997
Child care	633,071
Other	<u>6,949,751</u>
 Total revenue sources	 <u><u>\$ 118,653,384</u></u>

**Expenses**



Instructional services	\$ 83,195,041
System-wide support services	22,487,024
Ancillary services	309,652
Payments to other governments	1,255,583
School food service	5,044,282
Child care	<u>553,995</u>
 Total expenses	 <u><u>\$ 112,845,577</u></u>



# ROCKINGHAM COUNTY SCHOOLS

## SOURCES OF GOVERNMENTAL FUND REVENUES

For The Last Ten Fiscal Years

Year Ended June 30:	State of North Carolina	County Appropriations	Federal	Other	Total
2010	\$ 77,274,059	\$ 17,205,124	\$ 14,935,543	\$ 8,057,055	\$ 117,471,781
2011	76,931,010	28,737,002	14,566,686	7,585,362	127,820,060
2012	78,289,504	18,961,864	12,753,558	8,951,421	118,956,347
2013	77,810,833	18,844,783	8,264,758	8,635,209	113,555,583
2014	75,311,872	16,986,365	10,218,128	8,153,880	110,670,245
2015	77,352,006	16,767,365	9,333,685	9,429,988	112,883,044
2016	76,531,098	17,120,241	9,231,837	7,960,108	110,843,284
2017	78,761,051	16,822,365	8,142,728	8,189,350	111,915,494
2018	79,407,464	16,717,365	8,579,932	7,071,005	111,775,766
2019	78,818,014	17,344,078	8,932,473	7,119,493	112,214,058

Notes: All governmental fund types consisting of general, special revenue, and capital projects are included.

State of North Carolina includes all State grants and reimbursements.

County Appropriations include Regular and Capital Outlay.

Federal Revenue includes all federal grants and reimbursements.

Other Revenue includes Fines and Forfeitures, Contributions, Interest Earned, and Other Miscellaneous Local Sources.

Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.



## ROCKINGHAM COUNTY SCHOOLS

### NET POSITION BY CATEGORY

For The Last Ten Fiscal Years

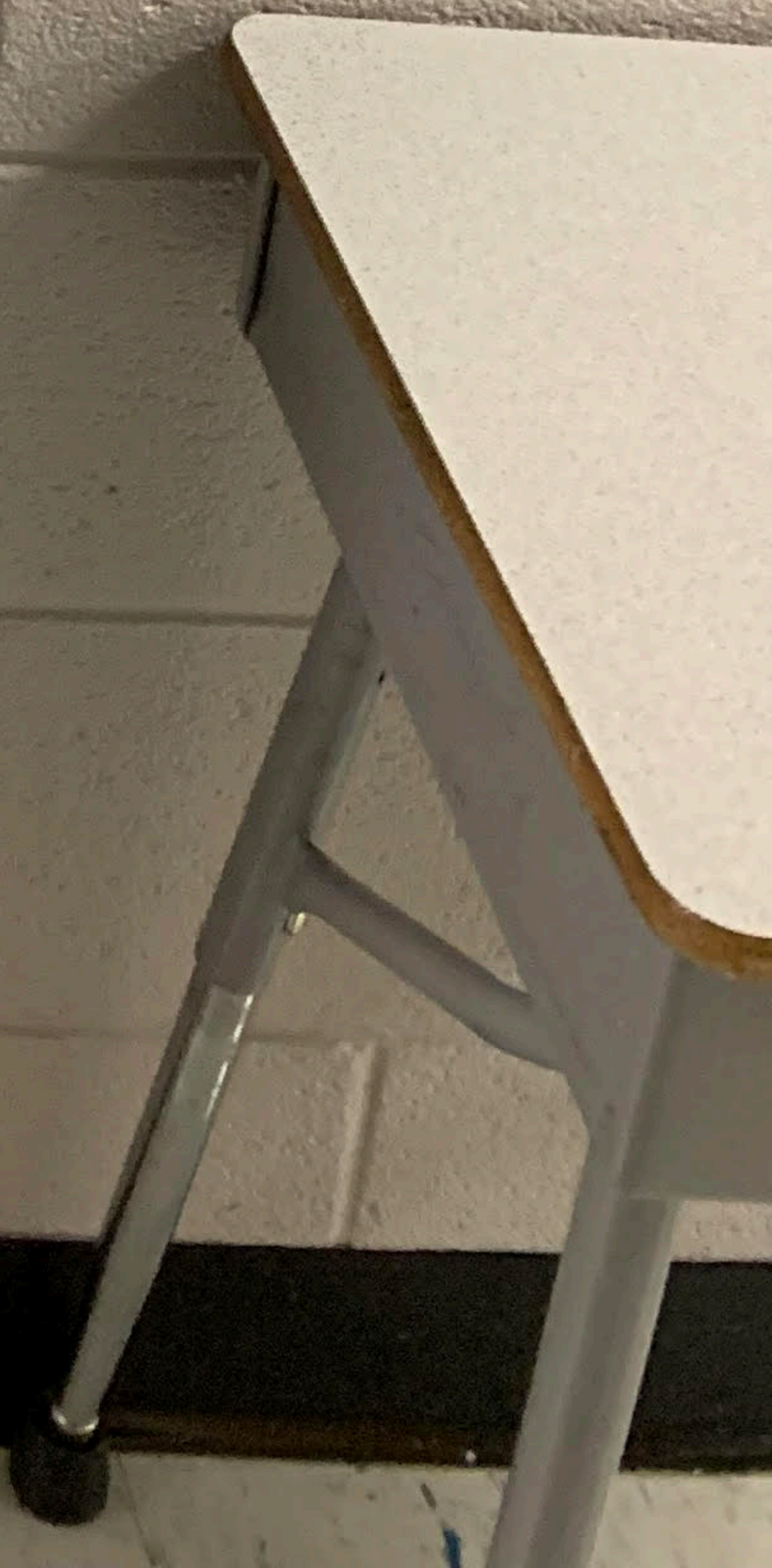
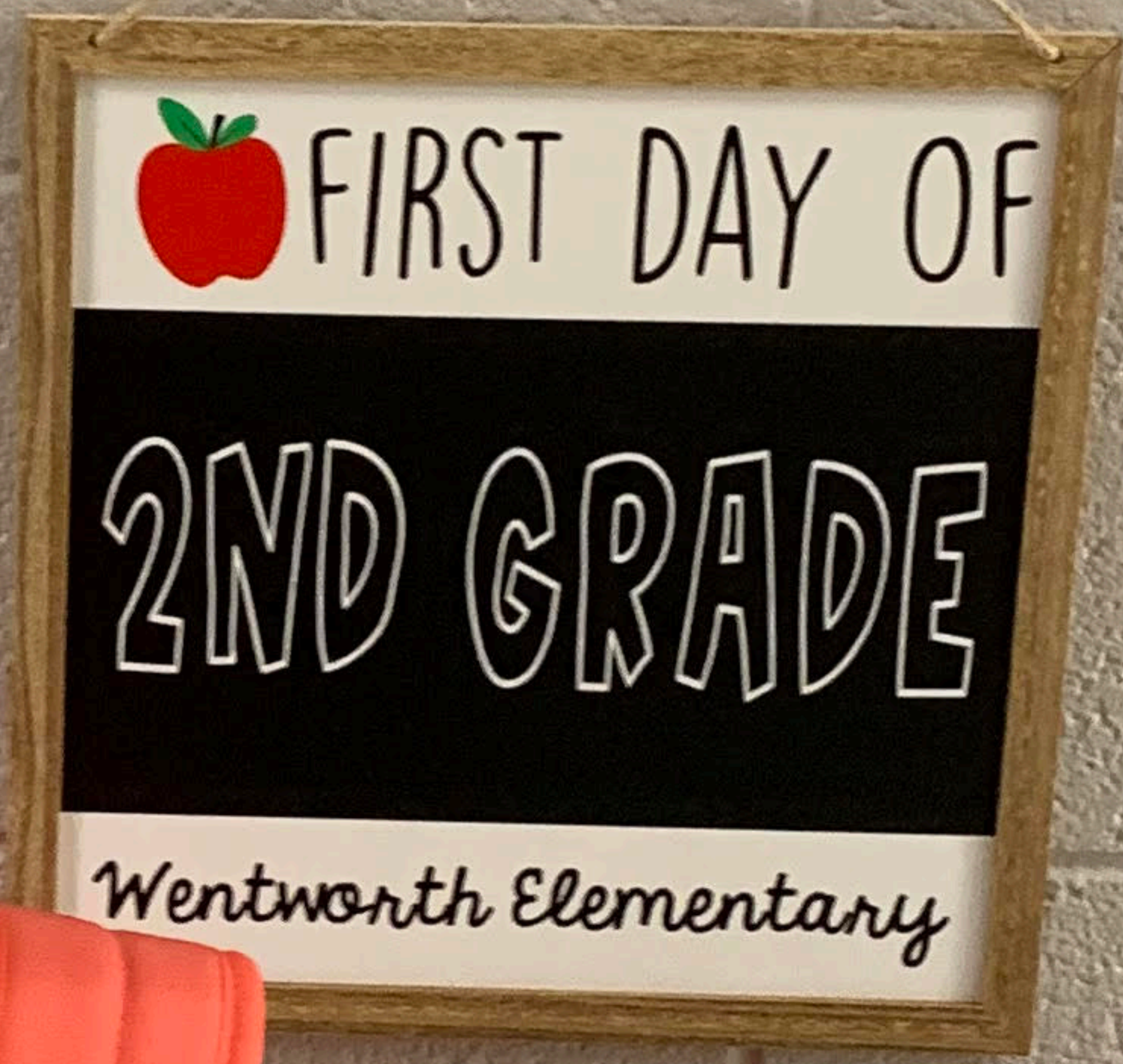
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 87,152,851	\$ 94,632,505	\$ 93,396,943	\$ 91,172,625	\$ 86,566,969	\$ 83,111,393	\$ 80,226,271	\$ 77,003,368	\$ 74,293,100	\$ 71,124,603
Restricted	1,460,296	4,769,215	5,038,772	2,657,133	3,053,810	7,507,480	8,625,355	8,994,472	7,913,267	7,456,416
Unrestricted (deficit)	(751,761)	(768,397)	2,328,786	1,688,018	(730,872)	(22,664,101)	(16,788,481)	(12,944,062)	(175,466,118)	(167,043,754)
Subtotal governmental activities net position	\$ 87,861,386	\$ 98,633,323	\$ 100,764,501	\$ 95,517,776	\$ 88,889,907	\$ 67,954,772	\$ 72,063,145	\$ 73,053,778	\$ (93,259,751)	\$ (88,462,735)
<b>Business-type Activities:</b>										
Invested in capital assets	\$ 193,421	\$ 165,375	\$ 132,232	\$ 545,112	\$ 416,422	\$ 303,489	\$ 246,808	\$ 236,850	\$ 222,445	\$ 196,985
Restricted	-	-	-	-	-	-	-	-	13,076	15,108
Unrestricted (deficit)	363,914	140,638	465,993	316,919	302,873	(1,369,964)	(1,077,539)	(59,182)	(4,219,200)	(3,184,981)
Subtotal business-type activities net position	\$ 557,335	\$ 306,013	\$ 598,225	\$ 862,031	\$ 719,295	\$ (1,066,475)	\$ (830,731)	\$ 177,668	\$ (3,983,679)	\$ (2,972,888)
<b>Primary Government:</b>										
Net investment in capital assets	\$ 87,346,272	\$ 94,797,880	\$ 93,529,175	\$ 91,717,737	\$ 86,983,391	\$ 83,414,882	\$ 80,473,079	\$ 77,240,218	\$ 74,515,545	\$ 71,321,588
Restricted	1,460,296	4,769,215	5,038,772	2,657,133	3,053,810	7,507,480	8,625,355	8,994,472	7,926,343	7,471,524
Unrestricted (deficit)	(387,847)	(627,759)	2,794,779	2,004,937	(427,999)	(24,034,065)	(17,866,020)	(13,003,244)	(179,685,318)	(170,228,735)
Total primary government net position	\$ 88,418,721	\$ 98,939,336	\$ 101,362,726	\$ 96,379,807	\$ 89,609,202	\$ 66,888,297	\$ 71,232,414	\$ 73,231,446	\$ (97,243,430)	\$ (91,435,623)

Note: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.

Note: Net position for 2014 and before are not comparable to 2015 (and after) net position due to the implementation of GASB 68 for the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with its participation in the statewide Teachers' and State Employees' Retirement System (TSERS).

Note: Net position for 2017 and before are not comparable to 2018 (and after) net position due to the implementation of GASB 75 for the year ended June 30, 2018. The standard requires the Board to record its proportionate share of the net OPEB liability and net OPEB asset associated with its participation in the statewide Teachers' and State Employees' Retirement System (TSERS).







# ROCKINGHAM COUNTY SCHOOLS

## CHANGES IN NET POSITION

For The Last Ten Fiscal Years  
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
<b>Instructional services:</b>										
Regular	\$ 56,898,377	\$ 55,917,573	\$ 55,987,775	\$ 55,305,309	\$ 53,707,617	\$ 50,564,972	\$ 48,508,174	\$ 51,655,292	\$ 55,413,846	\$ 48,342,349
Special populations	14,110,754	13,874,404	13,971,925	13,968,069	13,991,911	13,366,444	12,930,229	13,470,326	13,324,973	12,720,207
Alternative programs	5,925,720	6,086,636	4,890,515	5,006,458	5,066,169	4,689,786	5,090,607	4,773,815	4,637,553	5,375,979
School leadership	7,918,744	7,915,061	7,869,794	7,382,938	8,030,749	6,483,431	6,372,906	6,390,887	7,102,627	6,518,819
Co-curricular	3,457,340	3,370,203	3,834,507	4,230,369	4,421,282	3,922,773	4,084,208	4,115,744	3,879,820	3,512,134
School based support	6,972,189	6,869,042	7,038,694	7,597,829	7,154,057	7,706,201	7,393,318	7,671,657	8,069,517	6,725,553
<b>System-wide support services:</b>										
Support and development	776,791	858,183	775,371	902,251	946,189	880,890	1,044,149	1,133,320	1,194,933	1,202,453
Special populations support and development	545,094	561,650	720,511	1,347,770	1,422,590	1,427,155	1,307,282	1,177,854	1,303,524	788,480
Alternative programs and services support and development	222,098	224,484	373,911	192,532	197,094	138,085	128,194	142,130	226,430	207,419
Technology support	1,582,339	1,040,367	977,697	1,313,232	1,028,521	1,172,189	963,625	1,084,529	1,315,848	1,252,952
Operational support	15,910,005	16,194,277	15,743,959	15,992,262	16,294,765	15,522,831	15,009,951	15,069,179	16,172,727	16,128,296
Financial and human resource services	1,841,717	1,485,201	1,359,642	1,441,720	1,421,365	1,303,199	1,145,824	1,345,571	1,369,969	1,105,710
Accountability	52,723	152,228	175,376	176,431	230,534	165,878	79,633	97,195	112,997	84,945
System-wide pupil support	93,419	180,691	136,861	675,753	1,035,122	956,445	387,079	211,164	227,671	183,186
Policy, leadership and public relations	2,506,203	1,435,796	1,687,940	1,759,102	1,680,161	1,405,273	1,437,350	1,588,526	1,640,546	1,533,583
Ancillary services	623,009	434,839	316,018	246,543	188,607	194,589	191,245	224,675	377,038	309,652
Payments to other governments	647,216	447,489	504,835	312,527	416,610	436,499	476,551	555,410	705,062	1,255,583
Interest on long-term debt	-	-	-	-	-	29,648	15,162	-	-	-
<b>Subtotal governmental activities expenses</b>	<b>\$ 120,083,738</b>	<b>\$ 117,048,124</b>	<b>\$ 116,365,331</b>	<b>\$ 117,851,095</b>	<b>\$ 117,233,343</b>	<b>\$ 110,366,288</b>	<b>\$ 106,565,487</b>	<b>\$ 110,707,274</b>	<b>\$ 117,075,081</b>	<b>\$ 107,247,300</b>
<b>Business-type Activities:</b>										
School food service	\$ 7,554,393	\$ 7,160,037	\$ 6,816,174	\$ 6,329,308	\$ 6,079,035	\$ 6,333,809	\$ 6,204,232	\$ 5,627,311	\$ 5,514,758	\$ 5,044,282
Child care	541,226	533,324	510,714	534,011	534,317	579,193	608,715	655,392	760,610	553,995
<b>Subtotal business-type activities</b>	<b>\$ 8,095,619</b>	<b>\$ 7,693,361</b>	<b>\$ 7,326,888</b>	<b>\$ 6,863,319</b>	<b>\$ 6,613,352</b>	<b>\$ 6,913,002</b>	<b>\$ 6,812,947</b>	<b>\$ 6,282,703</b>	<b>\$ 6,275,368</b>	<b>\$ 5,598,277</b>
<b>Total primary government expenses</b>	<b>\$ 128,179,357</b>	<b>\$ 124,741,485</b>	<b>\$ 123,692,219</b>	<b>\$ 124,714,414</b>	<b>\$ 123,846,695</b>	<b>\$ 117,279,290</b>	<b>\$ 113,378,434</b>	<b>\$ 116,989,977</b>	<b>\$ 123,350,449</b>	<b>\$ 112,845,577</b>
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
<b>Charges for services</b>										
Special populations	\$ 1,323,168	\$ 2,049,367	\$ 2,397,864	\$ 1,778,060	\$ 1,593,885	\$ 1,563,937	\$ 1,463,893	\$ 1,525,547	\$ 1,316,560	\$ 1,220,243
Co-curricular	688,715	-	-	-	-	-	-	-	-	-
Technology support	-	-	58,691	-	-	-	-	-	-	-
Operational support	33,245	37,529	-	18,160	22,592	55,674	26,945	27,446	22,897	27,973
Operating grants and contributions	96,925,581	96,263,975	96,123,426	91,375,424	89,892,812	92,563,883	90,720,358	90,960,521	91,739,343	91,747,593
Capital grants and contributions	1,211,943	665,819	1,356,167	314,984	157,492	157,490	241,168	957,886	795,052	740,244
<b>Subtotal governmental activities program revenues</b>	<b>\$ 100,182,652</b>	<b>\$ 99,016,690</b>	<b>\$ 99,936,148</b>	<b>\$ 93,486,628</b>	<b>\$ 91,666,781</b>	<b>\$ 94,340,984</b>	<b>\$ 92,452,364</b>	<b>\$ 93,471,400</b>	<b>\$ 93,873,852</b>	<b>\$ 93,736,053</b>



# ROCKINGHAM COUNTY SCHOOLS

## CHANGES IN NET POSITION (Continued)

For The Last Ten Fiscal Years  
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Business-type Activities:</b>										
Charges for services:										
School food service	\$ 2,364,687	\$ 2,295,396	\$ 2,188,030	\$ 1,566,499	\$ 1,361,532	\$ 542,305	\$ 1,080,550	\$ 1,255,748	\$ 1,167,442	\$ 1,180,325
Child care	589,911	560,229	580,139	599,761	561,870	600,851	588,964	626,753	603,957	631,509
Operating grants & contributions	5,034,324	4,584,296	4,388,954	4,400,403	4,543,863	4,769,215	5,349,897	5,358,119	5,183,945	4,782,868
Capital grants and contributions	33,620	-	-	-	-	-	28,677	-	-	-
Subtotal business-type activities program revenues	\$ 8,022,542	\$ 7,439,921	\$ 7,157,123	\$ 6,566,663	\$ 6,467,265	\$ 5,912,371	\$ 7,048,088	\$ 7,240,620	\$ 6,955,344	\$ 6,594,702
Total primary government program revenues	\$ 108,205,194	\$ 106,456,611	\$ 107,093,271	\$ 100,053,291	\$ 98,134,046	\$ 100,253,355	\$ 99,500,452	\$ 100,712,020	\$ 100,829,196	\$ 100,330,755
<b>Net (Expenses) Revenues:</b>										
Governmental activities	\$ (19,901,086)	\$ (18,031,434)	\$ (16,429,183)	\$ (24,364,467)	\$ (25,566,562)	\$ (16,025,304)	\$ (14,113,123)	\$ (17,235,874)	\$ (23,201,229)	\$ (13,511,247)
Business-type activities	(73,077)	(253,440)	(169,765)	(296,656)	(146,087)	(1,000,631)	235,141	957,917	679,976	996,425
Total primary government net (expenses) revenues	\$ (19,974,163)	\$ (18,284,874)	\$ (16,598,948)	\$ (24,661,123)	\$ (25,712,649)	\$ (17,025,935)	\$ (13,877,982)	\$ (16,277,957)	\$ (22,521,253)	\$ (12,514,822)
<b>General Revenues &amp; Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
Unrestricted county appropriations-operating	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840	\$ 15,834,840
Unrestricted county appropriations-capital	1,370,284	12,902,162	3,127,024	3,024,183	1,151,525	942,233	1,290,137	987,525	889,752	1,509,238
Transfers	-	-	(459,838)	-	-	-	-	(48,271)	(19,440)	-
Investment earnings, unrestricted	84,005	66,369	58,335	32,221	16,922	15,426	17,634	46,326	114,543	180,392
Miscellaneous, unrestricted	-	-	-	1,042,358	1,935,406	1,586,969	1,078,885	1,406,087	896,221	783,793
Subtotal governmental activities	\$ 17,289,129	\$ 28,803,371	\$ 18,560,361	\$ 19,933,602	\$ 18,938,693	\$ 18,379,468	\$ 18,221,496	\$ 18,226,507	\$ 17,715,916	\$ 18,308,263
<b>Business-type Activities:</b>										
Transfers	\$ -	\$ -	\$ 459,838	\$ -	\$ -	\$ -	\$ -	\$ 48,271	\$ 19,440	\$ -
Investment earnings, unrestricted	1,324	2,118	2,139	432	214	299	603	2,211	13,030	14,366
Miscellaneous, unrestricted	-	-	-	-	3,137	-	-	-	-	-
Subtotal business-type activities	\$ 1,324	\$ 2,118	\$ 461,977	\$ 432	\$ 3,351	\$ 299	\$ 603	\$ 50,482	\$ 32,470	\$ 14,366
Total primary government	\$ 17,290,453	\$ 28,805,489	\$ 19,022,338	\$ 19,934,034	\$ 18,942,044	\$ 18,379,767	\$ 18,222,099	\$ 18,276,989	\$ 17,748,386	\$ 18,322,629
<b>Change in Net Position:</b>										
Governmental activities	\$ (2,611,957)	\$ 10,771,937	\$ 2,131,178	\$ (4,430,865)	\$ (6,627,869)	\$ 2,354,164	\$ 4,108,373	\$ 990,633	\$ (5,485,313)	\$ 4,797,016
Business-type activities	(71,753)	(251,322)	292,212	(296,224)	(142,736)	(1,000,332)	235,744	1,008,399	712,446	1,010,791
Total primary government	\$ (2,683,710)	\$ 10,520,615	\$ 2,423,390	\$ (4,727,089)	\$ (6,770,605)	\$ 1,353,832	\$ 4,344,117	\$ 1,999,032	\$ (4,772,867)	\$ 5,807,807

Notes: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.



# ROCKINGHAM COUNTY SCHOOLS

## FUND BALANCES, GOVERNMENTAL FUNDS

For The Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund:</b>										
Reserved	\$ 367,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,086,971	-	-	-	-	-	-	-	-	-
Nonspendable	-	344,374	319,969	308,209	285,695	197,702	150,384	50,171	-	-
Restricted	-	526,667	83,965	24,586	342,466	1,412,004	1,809,069	1,294,429	658,994	50,902
Assigned	-	2,037,424	5,797,810	4,599,504	1,230,925	-	2,815,077	3,758,298	4,983,886	3,133,647
Unassigned	-	3,029,837	2,346,710	51,218	1,495,379	3,679,390	2,011,891	5,084,237	6,877,797	11,275,090
<b>Total general fund</b>	<b>\$ 4,454,273</b>	<b>\$ 5,938,302</b>	<b>\$ 8,548,454</b>	<b>\$ 4,983,517</b>	<b>\$ 3,354,465</b>	<b>\$ 5,289,096</b>	<b>\$ 6,786,421</b>	<b>\$ 10,187,135</b>	<b>\$ 12,520,677</b>	<b>\$ 14,459,639</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ 72,778	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,884,902	-	-	-	-	-	-	-	-	-
Capital Outlay Fund	578,169	-	-	-	-	-	-	-	-	-
Restricted										
Special revenue funds	-	3,638,879	4,344,183	2,043,986	2,017,494	5,383,653	6,050,591	6,608,501	6,016,882	6,278,260
Capital Outlay Fund	-	603,669	610,624	588,561	693,850	711,823	765,695	1,091,542	802,376	619,505
Assigned, reported in:										
Special revenue funds	-	-	-	3,550,727	3,358,257	134,152	393,420	1,445,208	2,518,657	3,344,613
<b>Total all other governmental funds</b>	<b>\$ 2,535,849</b>	<b>\$ 4,242,548</b>	<b>\$ 4,954,807</b>	<b>\$ 6,183,274</b>	<b>\$ 6,069,601</b>	<b>\$ 6,229,628</b>	<b>\$ 7,209,706</b>	<b>\$ 9,145,251</b>	<b>\$ 9,337,915</b>	<b>\$ 10,242,378</b>

Note: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports. Years 2011-2019 reflect the implementation of GASB 54, which changes how fund balance is presented.



# ROCKINGHAM COUNTY SCHOOLS

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

For The Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
State of North Carolina	\$ 77,274,059	\$ 76,931,010	\$ 78,289,504	\$ 77,810,833	\$ 75,311,872	\$ 77,352,006	\$ 76,531,098	\$ 78,761,051	\$ 79,407,464	\$ 78,818,014
Rockingham County	17,205,124	28,737,002	18,961,864	18,844,783	16,986,365	16,767,365	17,120,241	16,822,365	16,717,365	17,344,078
U.S. Government	14,935,543	14,566,686	12,753,558	8,264,758	10,218,128	9,333,685	9,231,837	8,142,728	8,579,932	8,932,473
Contributions & donations	507,637	838,835	1,795,461	804,808	804,323	1,401,506	872,161	963,502	768,514	625,667
Other	7,549,418	6,746,527	7,155,960	7,830,401	7,349,557	8,028,482	7,087,947	7,225,848	6,302,491	6,493,826
<b>Total revenues</b>	<b>\$ 117,471,781</b>	<b>\$ 127,820,060</b>	<b>\$ 118,956,347</b>	<b>\$ 113,555,583</b>	<b>\$ 110,670,245</b>	<b>\$ 112,883,044</b>	<b>\$ 110,843,284</b>	<b>\$ 111,915,494</b>	<b>\$ 111,775,766</b>	<b>\$ 112,214,058</b>
<b>Expenditures:</b>										
Instructional programs	\$ 91,712,024	\$ 89,776,172	\$ 89,952,892	\$ 88,913,475	\$ 87,897,782	\$ 85,953,766	\$ 84,451,626	\$ 83,161,408	\$ 84,364,174	\$ 84,425,135
Support services	21,800,619	20,536,697	21,152,850	23,867,332	23,489,911	22,735,735	23,180,494	21,933,477	22,304,283	21,424,560
Ancillary services	621,796	454,382	329,823	246,543	188,607	199,948	197,614	270,800	388,525	317,622
Non-programmed charges	599,319	494,808	504,834	443,180	481,381	599,091	645,975	724,726	871,620	1,425,325
Debt service										
Interest	-	-	-	-	-	29,648	15,162	-	-	-
Principal retirement	533,555	359,269	-	314,984	497,495	467,844	566,008	957,886	795,052	740,244
Capital outlay	1,992,248	13,050,665	3,216,120	2,748,265	810,477	714,361	908,025	451,916	988,408	1,300,850
<b>Total expenditures</b>	<b>\$ 117,259,561</b>	<b>\$ 124,671,993</b>	<b>\$ 115,156,519</b>	<b>\$ 116,533,779</b>	<b>\$ 113,365,653</b>	<b>\$ 110,700,393</b>	<b>\$ 109,964,904</b>	<b>\$ 107,500,213</b>	<b>\$ 109,712,062</b>	<b>\$ 109,633,736</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ 212,220</b>	<b>\$ 3,148,067</b>	<b>\$ 3,799,828</b>	<b>\$ (2,978,196)</b>	<b>\$ (2,695,408)</b>	<b>\$ 2,182,651</b>	<b>\$ 878,380</b>	<b>\$ 4,415,281</b>	<b>\$ 2,063,704</b>	<b>\$ 2,580,322</b>
<b>Other Financing Sources (Uses):</b>										
Installment purchase obligations issued	\$ -	\$ -	\$ -	\$ 629,966	\$ 975,197	\$ -	\$ 1,646,341	\$ 1,021,191	\$ 512,673	\$ 263,103
Transfers to other funds	-	-	(459,838)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (459,838)</b>	<b>\$ 629,966</b>	<b>\$ 975,197</b>	<b>\$ -</b>	<b>\$ 1,646,341</b>	<b>\$ 1,021,191</b>	<b>\$ 512,673</b>	<b>\$ 263,103</b>
<b>Net change in fund balances</b>	<b>\$ 212,220</b>	<b>\$ 3,148,067</b>	<b>\$ 3,339,990</b>	<b>\$ (2,348,230)</b>	<b>\$ (1,720,211)</b>	<b>\$ 2,182,651</b>	<b>\$ 2,524,721</b>	<b>\$ 5,436,472</b>	<b>\$ 2,576,377</b>	<b>\$ 2,843,425</b>
<b>Change in reserve for inventories</b>	<b>(19,526)</b>	<b>42,661</b>	<b>(24,405)</b>	<b>11,760</b>	<b>(22,514)</b>	<b>(87,993)</b>	<b>(47,318)</b>	<b>(100,213)</b>	<b>(50,171)</b>	<b>-</b>
<b>Increase (decrease) in fund balances for the year</b>	<b>\$ 192,694</b>	<b>\$ 3,190,728</b>	<b>\$ 3,315,585</b>	<b>\$ (2,336,470)</b>	<b>\$ (1,742,725)</b>	<b>\$ 2,094,658</b>	<b>\$ 2,477,403</b>	<b>\$ 5,336,259</b>	<b>\$ 2,526,206</b>	<b>\$ 2,843,425</b>
<b>Debt service-as a percentage of non-capital expenditures</b>	<b>0.47%</b>	<b>0.32%</b>	<b>-</b>	<b>0.28%</b>	<b>0.44%</b>	<b>0.45%</b>	<b>0.54%</b>	<b>0.90%</b>	<b>0.74%</b>	<b>0.68%</b>

Note: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.



# ROCKINGHAM COUNTY SCHOOLS

## ANALYSIS OF GENERAL FUND BALANCE

For The Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Nonspendable for Inventories</u>	<u>Restricted Stabilization by State Statute</u>	<u>Assigned for Subsequent Years Expenditures</u>	<u>Unassigned</u>	<u>Total General Fund Balance</u>
2010	\$ 301,713	\$ 65,589	\$ 400,000	\$ 3,686,971	\$ 4,454,273
2011	344,374	526,667	2,037,424	3,029,837	5,938,302
2012	319,969	83,965	5,797,810	2,346,710	8,548,454
2013	308,209	24,586	4,599,504	51,218	4,983,517
2014	285,695	342,466	1,230,925	1,495,379	3,354,465
2015	197,702	1,412,004	-	3,679,390	5,289,096
2016	150,384	1,809,069	2,815,077	2,011,891	6,786,421
2017	50,171	1,294,429	3,758,298	5,084,237	10,187,135
2018	-	658,994	4,983,886	6,877,797	12,520,677
2019	-	50,902	3,133,647	11,275,090	14,459,639

Notes: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.

This reflects the implementation of GASB 54.



# ROCKINGHAM COUNTY SCHOOLS

## OPERATIONAL AND CAPITAL EXPENDITURES IN TOTAL AND PER PUPIL

For The Last Ten Fiscal Years

Year Ended June 30:	Average Daily Membership	Instructional	Support	Ancillary Services	Other	Capital Outlay	Total
2010	13,679	\$ 91,712,024 6,705	\$ 21,800,619 1,594	\$ 621,796 45	\$ 599,319 44	\$ 1,992,248 146	\$ 116,726,006 8,533
2011	13,527	89,776,172 6,637	20,536,697 1,518	454,382 34	494,808 37	13,050,665 965	124,312,724 9,190
2012	13,388	89,952,892 6,719	21,152,850 1,580	329,823 25	504,834 38	3,216,120 240	115,156,519 8,601
2013	13,179	88,913,475 6,747	23,867,332 1,811	246,543 19	443,180 34	2,748,265 209	116,218,795 8,818
2014	12,974	87,897,782 6,775	23,489,911 1,811	188,607 15	481,381 37	810,477 62	112,868,158 8,700
2015	12,807	85,953,766 6,711	22,735,735 1,775	199,948 16	599,091 47	714,361 56	110,202,901 8,605
2016	12,591	84,451,626 6,707	23,180,494 1,841	197,614 16	645,975 51	908,025 72	109,383,734 8,687
2017	12,296	83,161,408 6,763	21,933,477 1,784	270,800 22	724,726 59	451,916 37	106,542,327 8,665
2018	11,969	84,364,174 7,049	22,304,283 1,864	388,525 32	871,620 73	988,408 83	108,917,010 9,100
2019	11,534	84,425,135 7,320	21,424,560 1,858	317,622 28	1,425,325 124	1,300,850 113	108,893,492 9,441

Notes: All governmental fund types consisting of general and special revenue, and capital projects are included. The above operational expenditures include only governmental fund type current expenditures. Other includes non-programmed charges.

Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.



# ROCKINGHAM COUNTY SCHOOLS

## PER PUPIL EXPENDITURES (EXCLUDES CAPITAL OUTLAY)

For The Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Average Daily Membership</u>	<u>State</u>	<u>Federal</u>	<u>Local</u>	<u>Total</u>
2010	13,679	\$ 5,552	\$ 1,378	\$ 1,697	\$ 8,627
2011	13,527	5,650	1,381	1,479	8,510
2012	13,388	5,881	1,261	1,492	8,634
2013	13,179	5,865	907	1,931	8,703
2014	12,974	5,757	958	2,082	8,797
2015	12,807	6,058	1,018	1,708	8,784
2016	12,591	6,137	1,036	1,622	8,795
2017	12,296	6,405	1,027	1,348	8,779
2018	11,969	6,605	1,078	1,453	9,135
2019	11,534	6,732	1,118	1,449	9,299

Source: North Carolina Public Schools Statistical Profile (2010-2019 Editions).



# ROCKINGHAM COUNTY SCHOOLS

## SCHOOL FOOD SERVICE REVENUES BY SOURCE

For The Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Food Sales</u>	<u>Federal Reimbursements</u>	<u>Federal Commodities</u>	<u>Interest Earned</u>	<u>Transfers From Other Funds</u>	<u>Indirect Costs Not Paid</u>	<u>Other</u>	<u>Total</u>
2010	\$ 2,360,508	\$ 4,012,545	\$ 419,610	\$ 1,324	\$ -	\$ 555,722	\$ 84,246	\$ 7,433,955
2011	2,244,708	4,132,302	434,749	2,118	-	-	67,933	6,881,810
2012	2,145,091	4,068,970	319,984	1,943	459,838	-	42,939	7,038,765
2013	1,566,499	4,023,078	341,997	345	-	379,041	35,328	6,346,288
2014	1,361,532	4,148,016	368,665	92	-	387,342	30,319	6,295,966
2015	542,305	4,403,514	360,728	167	-	473,309	4,973	5,784,996
2016	1,080,550	4,909,278	410,978	450	-	429,571	58,318	6,889,145
2017	1,255,748	4,872,608	406,915	1,880	-	355,113	126,867	7,019,131
2018	1,167,442	4,751,654	413,288	11,456	-	307,766	38,443	6,690,049
2019	1,180,325	4,387,309	357,478	12,804	-	364,778	38,081	6,340,775

Note: Source of information is from the financial records of Rockingham County Schools and is summarized in the annual financial reports.



# ROCKINGHAM COUNTY SCHOOLS

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## RATIO OF OUTSTANDING DEBT BY TYPE

For The Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Installment Purchases</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2010	\$ 383,291	\$ 383,291	0.01%	\$ 4
2011	-	-	-	-
2012	-	-	-	-
2013	314,982	314,982	0.01%	3
2014	792,684	792,684	0.03%	9
2015	324,840	324,840	0.01%	4
2016	1,405,173	1,405,173	0.04%	15
2017	1,468,478	1,468,478	0.04%	16
2018	1,186,099	1,186,099	N/A	13
2019	708,958	708,958	N/A	8

N/A reflects figures which are currently not available.

Source: Financial records of Rockingham County Schools and is summarized in the annual financial reports.



# ROCKINGHAM COUNTY SCHOOLS

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2019

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Share of Overlapping Debt</b>
Rockingham County Schools	<u>\$ 708,958</u>	100.00%	<u>\$ 708,958</u>
<b>Direct Debt Total</b>	<u>708,958</u>		<u>708,958</u>
Rockingham County	\$58,248,678	100.00%	58,248,678
City of Reidsville	5,842,899	100.00%	5,842,899
City of Eden	17,451,127	100.00%	17,451,127
City of Madison	<u>1,607,795</u>	100.00%	<u>1,607,795</u>
<b>Overlapping Debt Total</b>	<u>83,150,499</u>		<u>83,150,499</u>
<b>Total Direct and Overlapping Debt</b>	<u><u>\$ 83,859,457</u></u>		<u><u>\$ 83,859,457</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Tax Department.  
Debt outstanding data provided by the cities.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Rockingham County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Financial records of Rockingham County Schools and is summarized in the annual financial reports.  
Rockingham County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.



## **ROCKINGHAM COUNTY SCHOOLS**

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### **STUDENT INFORMATION**

**For The Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Expenditures per Student</b>	<b>\$8,572</b>	<b>\$9,217</b>	<b>\$8,601</b>	<b>\$8,842</b>	<b>\$8,738</b>	<b>\$8,644</b>	<b>\$8,734</b>	<b>\$8,743</b>	<b>\$9,166</b>	<b>\$9,505</b>
<b>Students/Teacher Ratio</b>	<b>14.77</b>	<b>15.25</b>	<b>15.51</b>	<b>15.61</b>	<b>15.14</b>	<b>15.77</b>	<b>16.08</b>	<b>16.20</b>	<b>16.28</b>	<b>16.27</b>
<b>Percentage of Students on Free or Reduced Lunch</b>	<b>57.76%</b>	<b>58.32%</b>	<b>58.99%</b>	<b>58.97%</b>	<b>61.49%</b>	<b>100.00%</b>	<b>68.00%</b>	<b>69.50%</b>	<b>69.56%</b>	<b>67.66%</b>

**Sources:** Financial records of Rockingham County Schools and is summarized in the annual financial reports.

North Carolina Public Schools Statistical Profile (2010-2019 Editions).

NC Department of Public Instruction Free & Reduced Meals Application Data Reports. Information for 2019 obtained from Rockingham County Schools Student Data.

**Note:** Percentage of students receiving free/reduced lunch for 2014 and before are not comparable to 2015 (and after) due to the implementation of the Community Eligibility Program, which provides free lunch to all students at participating schools.



# ROCKINGHAM COUNTY SCHOOLS

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## NUMBER OF PERSONNEL

For The Last Ten Fiscal Years

<b>Year Ended June 30:</b>	<b>Number of Schools</b>	<b>Teachers</b>	<b>Certified Support Personnel</b>	<b>Other Operating Personnel</b>	<b>Total</b>
2010	26	926	211	561	1,698
2011	26	887	219	508	1,614
2012	26	863	218	495	1,576
2013	26	844	218	453	1,515
2014	25	857	236	432	1,525
2015	25	812	223	417	1,452
2016	25	783	209	330	1,322
2017	25	759	204	328	1,291
2018	25	735	196	320	1,251
2019	22	709	187	308	1,204

**Note:** Certified support personnel includes administrators, principals, assistant principals, guidance counselors, librarians and other professional personnel.

**Source:** North Carolina Public Schools Statistical Profile (2010-2019 Editions)



# ROCKINGHAM COUNTY SCHOOLS

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## CAPITAL ASSETS BY FUNCTION

For The Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Administration:</b>										
Number of Administrative Buildings	2	2	2	2	3	3	3	3	3	3
Number of Maintenance Facilities	1	1	1	1	1	1	1	1	1	1
Number of Garage Facilities	1	1	1	1	1	1	1	1	1	1
<b>Schools:</b>										
Number of High Schools	4	4	4	4	4	5	5	5	5	5
Number of Middle Schools	4	4	4	4	4	4	4	4	4	4
Number of Elementary Schools	16	16	16	16	15	15	15	15	15	12
Number of Alternative Schools	1	1	1	1	1	1	1	1	1	1
<b>Idle Buildings</b>	1	1	1	1	1	1	1	1	1	1
<b>Rented Buildings</b>	1	1	1	1	1	1	1	1	1	1

Note: Buildings range in age from 7 years to 84 years.

Source of Information is from the financial records of Rockingham County Schools.



# ROCKINGHAM COUNTY, NORTH CAROLINA

## PRINCIPAL PROPERTY TAXPAYERS

For the Years Ended December 31, 2018 and December 31, 2009

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$ 678,056,470	1	10.31%	\$ 301,059,000	1	4.95%
Commonwealth Brands	66,838,645	2	1.02%	42,688,000	4	0.70%
Gildan	64,853,854	3	0.99%			
Miller Brewing	53,547,003	4	0.81%	125,247,000	2	2.08%
Unifi Manufacturing	50,744,550	5	0.77%	65,109,000	3	1.07%
WalMart	40,169,675	6	0.61%	34,907,000	5	0.57%
Frontier Spinning	40,074,755	7	0.61%			
Transcontinental Pipeline Co	39,551,163	8	0.60%	25,323,000	10	0.42%
Sturm Ruger & Company Inc	34,665,735	9	0.53%			
Norfolk	33,500,300	10	0.51%			
Ball Metal Beverage Corporation				27,697,000	6	0.46%
Henniges				27,280,000	7	0.45%
HanesBrands				26,513,000	8	0.44%
Pine Hall Brick				25,866,000	9	0.43%
<b>Total</b>	<b>\$ 1,102,002,150</b>		<b>16.76%</b>	<b>\$ 701,689,000</b>		<b>11.57%</b>

Source: Rockingham County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.



# ROCKINGHAM COUNTY, NORTH CAROLINA

## PROPERTY TAX LEVIES AND COLLECTIONS

For The Last Ten Fiscal Years

Year Ended June 30	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 43,675,396	\$ 42,390,080	97.1%	\$ 1,191,913	\$ 43,581,993	99.8%
2011	44,672,193	43,377,992	97.1%	1,186,487	44,564,479	99.8%
2012	46,593,254	45,244,371	97.1%	1,224,576	46,468,947	99.7%
2013	51,019,969	49,625,221	97.3%	1,238,765	50,863,986	99.7%
2014	49,767,521	48,443,329	97.3%	1,119,303	49,562,632	99.6%
2015	49,249,221	48,464,476	98.4%	521,612	48,986,088	99.5%
2016	49,829,441	49,069,184	98.5%	369,612	49,438,796	99.2%
2017	50,885,217	50,093,915	98.4%	618,555	50,712,470	99.7%
2018	51,480,019	50,594,345	98.3%	852,302	51,446,647	99.9%
2019	51,741,336	50,975,779	98.5%	-	50,975,779	98.5%

Source: Rockingham County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.



## ROCKINGHAM COUNTY, NORTH CAROLINA

### ASSESSED VALUE OF TAXABLE PROPERTY

For The Last Ten Fiscal Years (in thousands)

Year Ended December 31:	Real Property		Personal Property		Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Motor Vehicles	Other			
2009	\$ 3,780,387	\$ 823,117	\$ 625,425	\$ 1,101,483	\$ (228,955)	\$ 6,101,457	7.15
2010	3,804,459	821,194	580,557	1,088,871	(233,043)	6,062,038	7.15
2011	4,233,767	880,787	604,852	1,239,276	(321,871)	6,636,811	6.98
2012	4,257,049	884,133	634,782	1,368,058	(327,541)	6,816,481	6.96
2013	4,277,566	888,480	369,751	1,412,525	(334,928)	6,613,394	6.96
2014	4,300,032	892,311	675,540	1,070,420	(218,974)	6,719,329	6.96
2015	4,324,057	892,266	706,665	1,528,073	(340,599)	7,110,462	6.96
2016	4,350,438	906,755	757,756	1,603,305	(343,976)	7,274,278	6.96
2017	4,386,043	914,608	774,864	1,628,828	(346,027)	7,358,316	6.96
2018	4,427,004	929,357	802,455	1,607,310	(351,443)	7,414,683	6.96

Source: Rockingham County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.



# ROCKINGHAM COUNTY, NORTH CAROLINA

## PROPERTY TAX RATES OF OVERLAPPING GOVERNMENTAL JURISDICTIONS (PER \$100 OF ASSESSED VALUE)

For The Last Ten Fiscal Years

Name of Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Rockingham County	0.705	0.715	0.698	0.696	0.696	0.696	0.696	0.696	0.696	0.696
City of Reidsville	0.73	0.71	0.71	0.71	0.74	0.74	0.74	0.74	0.74	0.74
City of Eden	0.62	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609	0.609
Town of Madison	0.73	0.73	0.75	0.73	0.73	0.73	0.73	0.73	0.73	0.73
Town of Mayodan	0.58	0.58	0.58	0.58	0.63	0.63	0.63	0.63	0.63	0.63
Town of Stoneville	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.67	0.69	0.69
<b>Fire Districts:</b>										
Wentworth	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Stokesdale	0.08	0.08	0.08	0.08	0.10	0.10	0.10	0.10	0.10	0.10
Bethany	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Northwest	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115	0.115
Huntsville	0.055	0.055	0.055	0.055	0.085	0.085	0.085	0.085	0.085	0.085
Oregon Hill	0.05	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Shiloh	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Monroeton	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Williamsburg	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Summerfield	0.088	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915	0.915
Yanceyville	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.09
Stoneyview	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105
Casville	0.035	0.035	0.035	0.035	0.07	0.07	0.07	0.07	0.07	0.07
Jacobs Creek	0.0875	0.0832	0.0832	0.0832	0.095	0.095	0.095	0.095	0.095	0.095
Madison/Mayodan	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105
Stokes/Rockingham	0.08	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804
Ruffin	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.13	0.13
Draper Rural	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.07
Leaksville Rural	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Spray-Draper	0.05	0.05	0.05	0.05	-	-	-	-	-	-
Spray-Leaksville	0.10	0.10	0.10	0.10	-	-	-	-	-	-

Source: Rockingham County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.



# ROCKINGHAM COUNTY, NORTH CAROLINA

## COMPUTATION OF LEGAL DEBT LIMIT

For The Last Ten Fiscal Years

Year Ended June 30	Debt Limit	Total net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2010	\$ 485,749,634	\$ 74,159,695	\$ 411,589,939	15.27%
2011	486,358,345	70,584,827	415,773,518	14.51%
2012	532,504,922	91,365,989	441,138,933	17.16%
2013	545,705,638	86,511,920	459,193,718	15.85%
2014	573,387,685	80,740,731	492,646,954	14.08%
2015	564,561,729	80,165,138	484,396,591	14.20%
2016	583,825,948	76,593,610	507,232,338	13.12%
2017	585,320,685	70,552,819	514,767,866	12.05%
2018	588,665,305	64,689,263	523,976,042	10.99%
2019	594,935,337	58,248,678	536,686,659	9.79%

### Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	\$ 7,436,691,715
Add back: exempt real property	-
Total assessed value	<u>\$ 7,436,691,715</u>
Debt Limit (8% of total assessed value)	\$ 594,935,337
Debt applicable to limit:	
General obligation debt	58,248,678
Less: Amount set aside for repayment of general obligation debt	-
Legal debt margin	<u>\$ 536,686,659</u>

Source: Rockingham County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.



# ROCKINGHAM COUNTY, NORTH CAROLINA

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## DEMOGRAPHIC STATISTICS

For The Last Ten Fiscal Years

Year Ended June 30	Population	Personal Income (in thousands)	Per Capita Income	Avg. Annual Labor Force	Public School Enrollment	Unemployment Rate
2010	92,252	\$ 2,801,270	\$ 29,920	43,359	14,194	12.9%
2011	93,643	2,880,841	30,868	42,825	14,194	11.5%
2012	93,558	2,995,548	32,307	44,327	13,799	12.2%
2013	92,720	3,012,455	32,788	43,721	14,582	10.3%
2014	93,217	2,992,809	32,638	41,863	13,179	7.1%
2015	91,696	3,112,071	33,916	41,171	13,013	7.8%
2016	91,758	3,148,049	34,445	41,548	13,824	7.2%
2017	91,393	3,303,511	36,323	41,399	12,466	4.8%
2018	90,949	N/A	N/A	41,589	13,363	4.8%
2019	90,690	N/A	N/A	40,944	13,337	5.0%

N/A reflects figures which are currently not available.

Source: Rockingham County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.



# ROCKINGHAM COUNTY, NORTH CAROLINA

## PRINCIPAL EMPLOYERS

### CURRENT YEAR AND NINE YEARS AGO

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Rockingham County School System	1,513	1	3.80%	2,001	1	4.60%
Unifi, Inc.	769	2	2.00%	795	4	1.83%
Annie Penn Hospital	762	3	1.90%	600	7	1.38%
Wal-Mart Associates, Inc.	754	4	1.90%	798	3	1.84%
UNC Rockingham Health Care	748	5	1.90%	1,021	2	2.36%
Rockingham County	736	6	1.90%	651	5	1.50%
Frontier Spinning Mills	519	7	1.30%	525	8	1.21%
Gildan	472	8	1.20%			
Keystone Foods	450	9	1.10%	450	9	1.03%
Rockingham Community College	354	10	0.90%	409	10	0.94%
Miller Coors				600	6	1.38%
<b>Total</b>	<b>7,077</b>		<b>17.90%</b>	<b>7,850</b>		<b>18.07%</b>

Source: Rockingham County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2019.







## **Vision Statement**

Rockingham County Schools will empower all students to compete globally.

## **Mission Statement**

Rockingham County Schools will provide a safe, dynamic and globally competitive education environment in which all students can reach their highest potential.



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**Contents and Composition by  
The Finance Department**

**Rockingham County Schools does not discriminate on the basis of sex, race, color, religion, national origin, age or handicap in any of its educational or employment programs or activities.**